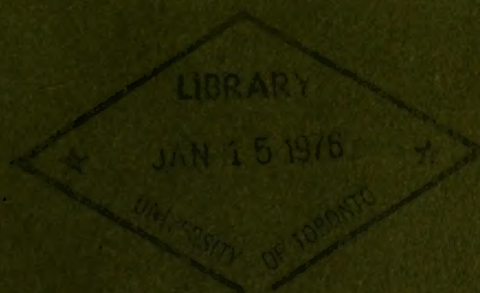


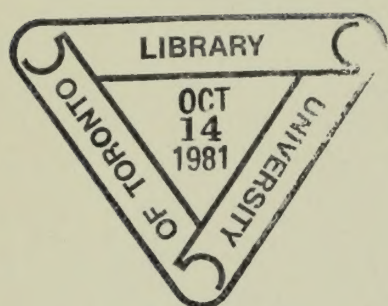
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Supplement
to the Annual Report of the
Auditor General of Canada
to the House of Commons



for the Fiscal Year Ended
March 31, 1975





Canada. Auditor General's Office

Supplement
to the Annual Report of the
Auditor General of Canada
to the House of Commons

for the Fiscal Year Ended
March 31, 1975

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AUDITOR GENERAL OF CANADA

AUDITEUR GÉNÉRAL DU CANADA

The Honourable Donald S. Macdonald, P.C., M.P.,
Minister of Finance.

I am pleased to transmit herewith the Supplement
referred to in my letter of transmittal accompanying my Report
to the House of Commons for the fiscal year ended March 31,
1975.

A handwritten signature in black ink, appearing to read "J. Macdonald", written over a horizontal line.

Auditor General of Canada.

OTTAWA, November 28, 1975.

**SUPPLEMENT TO THE ANNUAL REPORT
OF THE AUDITOR GENERAL TO THE HOUSE OF COMMONS
FOR THE FISCAL YEAR ENDED MARCH 31, 1975**

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REPORT OF THE AUDITOR GENERAL OF CANADA
ON FINANCIAL MANAGEMENT AND CONTROL PRACTICES
WITHIN THE GOVERNMENT OF CANADA

X

FINANCIAL MANAGEMENT AND CONTROL STUDY

(This is a reproduction of Part X of the Report of the Auditor General of Canada to the House of Commons for the year ended March 31, 1975.)

1. In 1974, my staff, strengthened by partners and staff provided by 16 Canadian firms of chartered accountants, began an intensive review of financial management and control within the Government of Canada.

As described in my 1974 Report, the study aims at dealing with the Audit Office's concern about the adequacy of the systems and controls in departments and agencies for which I have audit responsibilities.

This chapter sets out the findings in brief form. A fuller appreciation of their significance can be gained by a study of the Supplement to this Report, the first supplement to a report of an auditor general. This contains the background and the findings reported in late summer 1975 to the central government agencies with overall responsibility for financial management and control.

An appendix to the Supplement contains brief statements of recommendations and observations made to senior officials following examination of their individual departments, together with their responses.

2. Evaluation of financial and internal accounting systems and controls forms an integral part of the contemporary approach to auditing since it governs the nature and the extent of all other audit tests. The Audit Office devoted a substantial portion of its resources to this evaluation in the last year because I was aware that the findings would be a major factor in determining the scope and nature of my staff's audit work in the future. It is emphasized that the study did not disclose any frauds or misappropriations of public funds, nor was it designed to do so. However, it did disclose opportunities for such abuses.

3. The study leads to one clear conclusion: the present state of the financial management and control systems of departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness.

It is evident that our audit tests must increase substantially unless the government acts promptly to apply remedies. An increase in audit tests, however, is not a substitute for adequate financial management and control. With this in mind, I adopted the practice of providing responsible government officers with the findings of the study as early as possible so that they could initiate action to remedy deficiencies without waiting for my Report to be made public.

4. Among the findings:

- the Treasury Board Secretariat has taken significant steps in the past two years but much remains to be done for it to discharge adequately the Board's statutory responsibilities for financial management and control in the government;
- financial reports provided to departments by the Department of Supply and Services have not attained the quality and timeliness that departments require, and as a result there is substantial duplication by departmental accounting and reporting systems;
- departments have not utilized in the most effective manner the increased authority given to them in financial matters through the changes in the Financial Administration Act in 1969;
- financial information in the Estimates and the Public Accounts could be improved significantly so that Parliament and the public are more adequately informed as to the use of funds appropriated;
- despite extensive time and effort by management at all government levels, departmental budgets are not explicit enough to provide a sound basis for controlling managerial performance;
- although budgetary control systems satisfy the legal restriction against over-spending of appropriations, they do not show managers whether the intended purposes have been attained by relating clearly stated objectives to explicit benefits measured quantitatively whenever possible;
- weaknesses in financial controls often result in unreliable financial data and leave departments exposed to the possibility of fraudulent actions;
- the scope and quality of internal audits, which might expose deficiencies, could be substantially improved;
- there are widespread shortages of staff with appropriate training in financial control systems;
- duties of financial staff in many departments and agencies have been interpreted in such a way that important areas for financial control are not adequately covered.

5. Recommendations in this Part are primarily directed to matters that apply across the government service. The specific matters that heads of departments and agencies may take action on, without central agency involvement, have been reported separately to them.

The emphasis on actions and on studies that need to be undertaken by central agencies, as well as proposals to facilitate such action by clarifying central responsibilities, should not be construed as detracting in any way from the primary responsibility of deputy heads for financial management and control within their departments. Although it must be concluded that deputy heads have neglected this important aspect of their responsibilities since 1969,

when statutory responsibility devolved upon them, it is encouraging for me to report their positive responses to recommendations listed in the appendix to the Supplement.

Nevertheless adoption of the United Kingdom practice of designating deputy heads as accounting officers for the appropriations of their departments, a recommendation of the Independent Review Committee, would serve to emphasize their primary accountability to Parliament for the public funds placed in their stewardship, as well as their accountability to the prime minister who appoints them and to the government on behalf of which they administer.

The Supplement contains the full range of shortcomings and weaknesses disclosed by the study, and proposes possible courses of action to remedy them. It also describes in some detail how the various government financial processes work. It is printed in full since I deemed it important that all the information be available to the House of Commons.

This Part contains the more significant findings concerning deficiencies and repeats in entirety the recommended courses of action. To facilitate locating material in the Supplement, chapter and paragraph numbers are cited.

Estimates and Public Accounts (Chapter II)

6. Estimates (paragraphs 2.1 to 2.35) — Changes in the form of the Estimates over the last 10 years have seriously reduced the effectiveness of Parliament's control over government expenditure, because the reduction in the number of votes and the broadening of the vote wording which took place was often not accompanied by appropriate supporting information. For example:

- reducing the number of votes and making the wording more general gave management greater flexibility but the loss in Parliamentary control was not offset by activity information which more adequately disclosed program costs;
- descriptive content rarely satisfies Treasury Board's own criteria for program objectives which would be meaningful to Parliament;
- narrative information provides insufficient indication as to what those involved in the programs actually do, who benefits, or the precise results sought.

It is unlikely that any rigidly uniform system of presentation can be developed to answer the needs of Parliament in all cases. The present Estimates demonstrate that a significant loss of information results when standardization is carried too far. In making the changes Treasury Board, while attempting to improve the previous presentation, appears to have given insufficient attention to financial control.

Present practices lead to uncertainty concerning the nature of the expenditures that appropriations are intended to cover. It is therefore difficult for my Office to discharge the responsibility assigned to me in Section 61(1)(c) of the Financial Administration Act —

namely, to call attention to every case where “any appropriation was exceeded or was applied to a purpose or in a manner not authorized by Parliament”.

A comprehensive study of the form of the Estimates, and the information submitted by each department and agency in support of appropriation requests, is required to determine changes needed to achieve better disclosure, as well as better control by Parliament and by the government of departmental spending in relation to the appropriations granted. (2.35)

7. The Public Accounts (paragraphs 2.36 to 2.46) — Any changes that may result from a study of the Estimates will automatically improve the Public Accounts, but other improvements could be made to the latter. For example:

- anyone not intimately familiar with the content of these volumes and the location of material in them is likely to find them difficult to use;
- much expenditure information is repetitive; and
- information in the Public Accounts does not parallel the Estimates structure closely enough to maintain adequately the government’s accountability to Parliament.

The form of the Estimates is the basis for establishing the accountability of government, and inconsistencies between the Public Accounts and the Estimates should be corrected. In addition, since the Public Accounts deal with what has actually taken place, they should be capable of presenting information in a more precise form than Estimates which deal with prospective events. Activity information provided in summary form in the Estimates should be presented in greater detail in the Public Accounts, together with non-financial data showing what results have been achieved.

While the Public Accounts should contain data beyond that in the Estimates, nevertheless the two documents must be closely co-ordinated. A more adequate and consistent accounting would be rendered to Parliament if a single central agency were responsible for the form of the Estimates and the Public Accounts. This would ensure that:

- appropriations and supporting detail in the Estimates are structured in a manner permitting an adequate accounting subsequently;
- detailed accounting information is available to support Estimates requests before changes are introduced through the Estimates;
- analytical material in the Public Accounts is related to that submitted in support of the Estimates; and
- the two documents provide a consistent approach to the problem of making properly visible the financial aspects of the increasingly complex, varied and changing programs of government.

A single central agency should be responsible for the form of the Estimates and Public Accounts so that a more adequate and consistent accounting can be rendered to Parliament. (2.46)

Allocation of Resources (Chapter III)

8. This report is not concerned with the wisdom of the decisions made in the process of allocating available funds but rather with the value and quality of the information on which the decisions are made, as well as the need that they be clearly formulated and communicated if managers are to be expected to manage and control funds in line with the intent of Parliament and the government.

9. Communication of Government Objectives (paragraphs 3.7 to 3.18) — If funds are to be managed and controlled effectively, there must be a clear perception on the part of all concerned as to what was intended at the time resources were allocated.

An essential of good financial management is effective communication, not only of priorities within overall government objectives at the higher levels of administration, but also of related specific sub-activity goals at the operating manager level. In many cases the government's or the department's own specific objectives are not being adequately communicated to staff involved in preparing Program Forecasts — the planning for future spending.

Program Forecasts submitted to Treasury Board Secretariat often reflect an aggregation of the priorities of individual managers rather than a unified response to priorities of the government or of senior departmental management. Managers tend to exert inordinate upward pressure on expenditure levels. Without properly established priorities, they have little reason to do otherwise.

The present process fails to achieve a clear understanding of what is to be attained in a fiscal year, although facilitating agreement by leaving plans and priorities unstated or stated only generally.

There is a need for governmental and departmental objectives, and program priorities, detailed enough to provide effective guidance to be communicated formally and on a timely basis to managers responsible for the various aspects of financial planning. (3.18)

10. Assignment of responsibility for Program Forecasts (paragraphs 3.32 to 3.36) — Treasury Board's Program Forecast and Estimates Manual says that Program Forecasts should be put together from the "top down", that is, centrally by senior management with other levels providing planning information through continuous dialogue. But many departments use a "bottom-up" approach which involves combining individual Forecasts prepared at various levels. This results in extremely lengthy Forecasts, excessive detail, wasted time of lower-level managers, and frustration among managers over seemingly arbitrary budget changes.

Detailed Program Forecasts, prepared by lower-level managers up to 15 months before the fiscal year begins, often form the basis for the operating budgets against which managerial performance is subsequently measured. Such detailed budgets should be prepared later when program issues are settled, price changes known, and financial results of the current year's operations more completely available.

Senior management of departments and agencies should prepare Program Forecasts centrally with other levels of management providing information for planning, primarily through continuous dialogue with headquarters. (3.36)

11. Content of Program Forecast submissions (paragraphs 3.37 to 3.40) — Procedures for preparing Program Forecasts lead to detailed information not needed by Treasury Board in allocating resources. However, in some cases Forecasts lack the information Treasury Board needs and this then has to be obtained by direct inquiry.

Program Forecast information requirements should be studied to make certain that they contain only essential detail and specify requirements which recognize the fundamentally different natures of the various departments and agencies and the diversified programs they administer. (3.40)

12. Evaluation of Continuing Programs (paragraphs 3.41 to 3.46) — Major portions of existing programs are not automatically subjected to a regular program review by departments, by Treasury Board, or by Cabinet. Treasury Board may advise departments to eliminate or to reduce a lower-priority item in favour of a new one, but this practice does not take into account the possibility that other departments and agencies have still lower-priority items that ought to be discontinued.

All programs should be reviewed in detail on a cyclical basis. Reviews should be conducted by departments, with appropriate central agency participation to provide an adequate basis for them to perform their resource allocating and budget monitoring responsibilities. (3.46)

13. Review of Personnel Requirements (paragraphs 3.47 to 3.48) — Many departments prepare Program Forecasts without a realistic assessment of the chances of filling new positions. As a result they may have funds available for other purposes, reducing the need to exercise close budgetary control.

It is critical to determine whether the required individuals are likely to be available before approving departmental spending forecasts. This would also give the recruiting function the lead time it urgently needs.

Departmental personnel divisions should participate in the review of Program Forecasts. In addition, the Personnel Policy Branch of the Treasury Board Secretariat and the Public Service Commission should be consulted on the personnel implications of Program Forecasts before Treasury Board approval of budget levels. (3.48)

14. Quality of Information (paragraphs 3.49 to 3.64) — There are deficiencies both in Program Forecast and in Estimates submissions as a result of inadequate data. It appears that the staff of the Treasury Board's Program Branch lacks time and training to insist that departments develop proper cost-classification systems, and that departments may not be unhappy with a program and activity structure which results in the funds they need being provided with minimal disclosure of what they are to be used for. For example:

- Program Forecasts are often prepared in such an approximate fashion that there is little basis for questioning the efficiency or effectiveness of what is being done within each organizational unit;
- introduction of non-financial data as a means of evaluating performance has met with limited success;
- Forecasts tend to overlook the correcting effects of actual experience. There is little organized follow-up by Treasury Board Secretariat to ensure the integrity of expenditure projections provided by departments;
- many departments do not prepare accurate forecasts of future years' requirements;
- the assumption that productivity increases should compensate for wage and price increases encourages program managers to overstate other budget requirements in order to obtain the funds needed to offset the effects of inflation;
- no recognition is given to the effect of year-to-year fluctuations in inventory levels.

All these deficiencies indicate a need for a new thrust to ensure that these matters receive the attention they deserve.

Action needs to be taken to improve the quality of the data contained in Program Forecasts and Estimates submissions by:

- *reassessing the suitability of the present structure of departmental programs and activities;*
- *promoting the use of procedures to extend the capability of financial systems to measure performance;*
- *reviewing in greater detail data submitted by departments;*
- *following-up on actual expenditures as a means of assessing the quality of budgetary data;*
- *establishing centrally the basis of amounts included to cover inflation;*
- *reviewing the effect of changes in inventory levels; and*
- *following-up on future-year projections included in Program Forecasts. (3.64)*

15. Communication of Procedures and Decisions (paragraphs 3.65 to 3.71) — Treasury Board documents which communicate the budgetary process to departments present a fragmented picture of various rules and philosophies.

The Program Forecast and Estimates Manual refers readers to the Board's Planning Programming Budgeting Guide for the applicable principles of the budgetary system. The Guide was printed in 1969, has not been brought up to date, and now is out of print with no decision on whether to reprint.

Four separate budget circulars contain detailed budgetary procedures dealing with specific topics, such as capital expenditures.

Treasury Board Secretariat does not comment in writing on the nature and quality of information contained in Program Forecasts nor does it formally offer suggestions for eliminating deficiencies in future.

The quality of information and presentation of Program Forecasts varies from department to department. Deficiencies tend to appear year after year with any improvements usually being initiated by departmental staff.

A comprehensive resource allocation manual should be prepared containing a consolidated, updated version of appropriate sections of Treasury Board manuals, guides and circulars which deal with the resource allocation process. These should be supplemented by annual letters to each department suggesting improvements in the quality, content and presentation of the past year's submissions. Departments should reply formally stating plans for improvement. (3.71)

16. Program Analysts (paragraphs 3.72 to 3.75) — There is significant turnover among analysts within the Program Branch of the Treasury Board Secretariat. Individuals of demonstrated ability are engaged by the Board, usually for an agreed period of three years, recognizing that they will eventually move to operating departments. Unfortunately many program analysts are leaving the Board before this period has ended.

The turnover rate creates a significant problem since resource allocation is a complex and important facet of governmental financial administration.

The Treasury Board Secretariat should study the reasons for the high rate of turnover of program analysts and take steps to remedy the problem. (3.75)

17. Documentation of Procedures (paragraphs 3.76 and 3.77) — The effect of the staff turnover has been made worse by inadequate initial training and by a lack of standard procedures for assessing submissions. Formal documentation of procedures and of the basis for decisions would help new analysts adapt more quickly.

The Program Branch ought to develop standard internal checklists, questionnaires and methods for documentation of decisions. (3.77)

18. Training in Procedures (paragraphs 3.78 to 3.80) — People involved in resource allocation within departments and Treasury Board receive no formal training on either concepts or detailed procedures.

Although aspects of the process are included in various general courses, no training course is available centrally covering the resource allocation process in depth. Such a course should be developed.

An intensive training course covering all appropriate aspects of the resource allocation process should be developed and made compulsory for all officials primarily involved in the planning and budgeting functions in each department and agency. (3.80)

19. Non-tax Revenues (paragraphs 3.81 to 3.86) — Following changes in the Financial Administration Act in 1969 which authorized delegation to departments of the power to prescribe fees or charges for services, many departments sought to introduce or increase fees and charges for services to the public. Many requests were deferred for a variety of reasons and as a result some departments refer to their previous experience as a justification for failing to conduct regular reviews to establish whether changes are required.

Departments should be required to assess services to the public annually within guidelines given to them by Treasury Board and to submit recommendations for continuing revenue policies or for increasing or reducing fees charged because of changes in the services offered or in the cost of providing them. Treasury Board should in turn be required to submit annual recommendations on revenue policies to the Governor in Council for consideration under the provisions of Section 13 of the Financial Administration Act. (3.86)

Budgetary Control (Chapter IV)

20. Use of Allotments (paragraphs 4.10 to 4.12) — Departments generally maintain adequate records of appropriations and allotments.

Appropriations may be subdivided into allotments by Treasury Board to ensure that departments do not use funds intended for one specific purpose for something else. In recent years this statutory provision has not been used very extensively but in the current year the Board has designated salaries as a separate allotment in most departments.

Treasury Board should give more consideration to establishing separate allotments where significant amounts of funds are provided for purposes that are discretionary and therefore controllable by management. (4.12)

21. Need for Commitment Accounting (paragraphs 4.13 to 4.17) — Legally all departments are required to maintain detailed commitment records throughout the year,

but many feel this is unnecessary since they have not exceeded their appropriations in the past and are unlikely to do so in future. They also feel that it is necessary to record commitments only near the end of the fiscal year to ensure that appropriations are not exceeded.

Departments with appropriate systems of budgetary control and financial reporting should be required to record commitments only as necessary towards the end of the year. (4.17)

22. Control through periodic Financial Reporting (paragraphs 4.18 to 4.29) — Many departmental budgetary control and financial reporting systems do not produce satisfactory information for use in the manner contemplated in the Treasury Board Guide on Financial Administration.

In recent years, funds applicable to unfilled positions have been available within the budgets of many departments. As a result some operating budgets are excessive and thus departmental managers have not found it necessary to have effective budgetary control through comparison of planned and actual costs with planned and actual results.

Some managers do wish to have effective means of budgetary control through financial reporting, but departmental systems are not generally capable of satisfying their requirements.

Departmental budgetary control and reporting systems need as a minimum:

- *properly defined cost components and cost information so managers can be held accountable for performance;*
- *detailed budgets by time period in accordance with the assignment of managerial responsibility;*
- *consistency between budgeting and accounting;*
- *timely preparation and distribution of periodic financial reports; and*
- *analysis of variances between planned and actual results. (4.29)*

23. Use of Non-financial Data (paragraphs 4.30 to 4.35) — Because performance in the public sector cannot be assessed solely in financial terms, it is necessary to report other data which best express results attained. Most departments do not systematically measure performance. Where such information is gathered, much of it is not reliable. To ensure the validity of comparisons between costs and benefits, such information should be subject to the same controls as financial data and both should be prepared with consistency.

Performance indicators are needed as an integral part of departmental budgetary control and financial reporting systems in all areas that can be effectively measured. (4.35)

24. Central Approval of Systems (paragraphs 4.36 to 4.38) — Most departments have not designed or implemented good systems of budgetary control and financial reporting due to lack of concern related to the attitude that funds are readily available. Instructions concerning budgetary control in the Treasury Board Guide on Financial Administration should be mandatory in most cases.

A central agency should approve and periodically reassess departmental budgetary control and financial reporting systems to ensure their adequacy for purposes of satisfying the needs of Parliament and of the government, as well as of departments. (4.38)

25. Central Budgetary Control (paragraphs 4.39 to 4.46) — The Treasury Board Program Branch has no formal system, other than the quarterly manpower reports, for carrying out its assigned responsibility to “ensure effective expenditure management including the monitoring of expenditures against authorized allotments; the utilization of authorized man-years; the organization and management of allocated resources; and the program results achieved in accordance with implementation plans.”

Some form of government-wide budgetary control is necessary so the government as a whole can control its actual expenditures in relation to plans.

A monthly report, based on analysis of department budgets and expenditures and variances between them, should be prepared so that Treasury Board can take action to control overspending or to freeze excessive resources. (4.46)

Accounting Systems (Chapter V)

26. General Accounting System of DSS (paragraphs 5.2 to 5.24) — Many departments are not satisfied with financial reporting services provided by the Department of Supply and Services and 70 percent of those surveyed have adopted or are developing separate reporting systems to meet all, or a portion of, their needs, even though this may lead to extensive duplication.

Dissatisfaction, where it exists, is due to a number of reasons, including:

- liaison between departments and DSS has been ineffective;
- the system is incapable of adapting quickly to changes;
- data input to the system is not adequately controlled and errors remain uncorrected for some time;
- report distribution is awkward and unreliable;
- information reported is neither timely nor accurate.

These deficiencies, are generally acknowledged by DSS and it has plans for overcoming them based on the existing centralized approach to processing. However, the extent of

departmental duplication which is now apparent and other factors indicate that it would be preferable to introduce a greater degree of decentralization of accounting functions.

A study should be undertaken to determine the most appropriate method of achieving timely and accurate financial reports for departments and agencies. (5.24)

27. Payroll System of DSS (paragraphs 5.25 to 5.38) — Central and regional pay systems of DSS need revision to meet basic standards of good financial management.

The delay between the initiation of an employee status change and the reflection of this change in his pay cheque in the central pay system may be as much as 30 days.

Present procedures centralize control of all payroll information within DSS, and departments have abdicated their responsibility. Improvements are possible only if departments control their payrolls more effectively.

A study should be undertaken to determine how departments could better prepare and control payroll documentation up to the point of submission to a central or regional pay office of the Department of Supply and Services, these offices being responsible only for cheque preparation and for the systems and procedures necessary to process the payroll, to make the required withholdings, and to provide essential information to central agencies. (5.38)

Financial Controls (Chapter VI)

28. Controls over Expenditures (paragraphs 6.15 to 6.22) — Legislation, regulation or other central agency directions impose a requirement for controls over almost every type of financial transaction, but these directives are incomplete and require interpretation by those applying them.

The effectiveness of financial control systems is overly dependent on the experience and integrity of the employees involved and on inefficient and repetitive checking. These weaknesses result in incomplete or inaccurate information and in inadequate protection against fraud and error.

Departments have been slow in responding even to explicit Treasury Board directives to improve such controls.

The talents needed to design good systems of financial control do not appear to receive much priority in filling positions. As a result, people performing financial duties within departments often lack the training to design effective controls or have restrictions on their authority to do so. In addition there are uncertainties between departments and DSS as to their relative responsibilities for ensuring effective controls.

In all financial systems, duties should be carefully segregated so that, without unnecessary duplication of effort, one staff member or one element of a system maintains an effective

independent control upon the integrity and accuracy of another. In particular there should be an adequate segregation of spending authority from payment authority for all expenditure transactions and also of such duties as verifying accounts for payment, preparing documentation, requisitioning and distributing cheques, and receiving and depositing money. Control should be established as early as practicable and maintained through all stages of manual, mechanical and electronic processing. In particular:

- *managers should exercise delegated authority only where they have the information to do so;*
- *controls on all significant data should be established at the originating level before processing, and be confirmed by the same level after processing;*
- *controls over expenditures should be established before spending and payment authorities are granted; and*
- *there should be clearly documented evidence of performance of all control functions and this evidence should be regularly reviewed by managers. (6.22)*

29. Controls over Payrolls (paragraphs 6.23 to 6.27) — Payroll systems should be subject to the same standards of financial control as other expenditures. Treasury Board directives have been aimed primarily at control of other types of expenditure and DSS instructions deal only with administrative mechanics.

Within most departments and agencies, primary responsibility for control of payrolls rests with personnel organizations where often there is not an appropriate division of responsibilities and where people are not generally trained in matters of financial control. The responsibility of financial staff should not be so constrained that they are unable to ensure effective controls in this area.

Financial staff should be responsible for ensuring that there are controls within payroll systems just as in all other administrative systems giving rise to financial transactions. (6.27)

30. Controls over Revenues, Receivables and Inventories (paragraphs 6.28 to 6.37)

— For administrative convenience, there is often a lack of segregation of duties in the handling of revenues, receivables and inventories. Custodians of assets often keep the only records of the assets within their custody, including accounting controls in those circumstances where such assets are financed through working capital advances.

All revenues, accounts receivable and significant inventories should be under effective systems of control, generally an independent accounting control. (6.37)

31. Responsibility for Improving Financial Controls (paragraphs 6.38 to 6.42) —

The government must be assured that appropriate controls are being applied throughout the public service. This can best be done by issuing clear directions as to what is required,

backed up by systems reviews by staff of a central agency and supported by test audits by departmental teams.

Departmental systems should be reviewed and approved by a central agency to ensure that they comply with Treasury Board regulations and such other instructions as are required to ensure adequate control of expenditures, revenues and assets. (6.42)

Internal Audit (Chapter VII)

32. Effectiveness of Internal Audit (paragraphs 7.1 to 7.12) — Internal audit has long been considered an important element in the managerial control process since it provides a means of appraising the effectiveness and the efficiency of financial and other operations.

Concerns related to internal audit include:

- some departments have no internal audit;
- internal auditors are often involved in other duties which divert them from their audit responsibilities;
- coverage is not consistent or comprehensive; and
- staff are not sufficiently trained in, or sufficiently familiar with, their responsibilities.

There is some doubt that any central body can adequately evaluate financial controls throughout government unless stronger action is taken to ensure that internal audit is carried out effectively in all departments.

The central agency of the government responsible for prescribing the standards, scope and coverage of departmental financial audits should give greater emphasis to monitoring departmental internal audits so as to encourage greater adherence to the standards. (7.12)

Financial Staff (Chapter VIII)

33. Financial Community in Government (paragraphs 8.2 to 8.13) — A generally acceptable level of quality in financial management and control in government will only be achieved with properly qualified staff.

Many professional accountants in government choose to work in fields not related to financial management and control. One basic reason is that classification standards for financial officers do not adequately recognize professional qualifications.

A comprehensive study of personnel systems related specifically to financial administrators should be undertaken to consider the advisability of establishing a professional government accounting group commensurate with the current and future needs of government for financial management and control. (8.13)

34. Staffing the Financial Function (paragraphs 8.14 to 8.21) — Developments in the last few years have created many opportunities for financial administrators, leading to a high turnover of FI staff. Some departments show a vacancy rate of 35 percent and an annual turnover of up to 45 percent in financial positions.

The demand for FI staff is growing faster than supply and there are indications that there will be serious shortages of qualified staff in future.

The heavy turnover seriously affects financial management and control, systems development being particularly curtailed.

A comprehensive review is required to establish the need in government for financial administration personnel by type and level and to develop a program to alleviate the present shortage and excessive turnover. (8.21)

35. Financial Community Leadership (paragraphs 8.22 to 8.30) — A source of guidance and leadership to set the professional standards that should be applied by financial officers throughout government is vitally important.

Departmental managers need support in financial matters from properly trained and experienced staff. Administrators are being let down because they are not given adequate information on the performance of their financial staff and thus are not supported by the staff necessary to discharge their responsibility for financial management and control.

Financial administration has diminished in importance because it lacks the central leadership and the support from the Treasury Board necessary to give it the means and status to ensure that it can satisfy the needs of administrators.

Responsibility for assisting the Public Service Commission in matters relating to the training of staff in the financial area, overseeing their career development, and advising on their qualifications for advancement should be assigned to a central agency of the government having the knowledge needed to carry out this role of ensuring that departments are staffed by capable financial personnel. (8.30)

Responsibility for Financial Management and Control within Departments (Chapter IX)

36. Departmental Organizational Arrangements (paragraphs 9.5 to 9.12) — The way the financial function is organized and senior financial officers report varies greatly from department to department. Some officers report directly to the deputy head of the department, some to the deputy through a senior administrative officer, some to the deputy through two or more levels of senior administrative officers.

Almost without exception the chief financial officer reporting directly to the deputy head is well qualified, usually with professional accounting qualifications. In such departments greater emphasis is placed on giving direction in financial matters to field personnel.

Where the senior financial officer reports through a senior administrative officer without competence in the financial field, financial management and control concerns may not be adequately expressed at meetings of senior management. Thus the status of financial officers will be lowered to a point where program officers do not look to them for advice, and they are forced to prepare budgets and control funds without knowledge of senior management's priorities.

The senior departmental officer responsible for financial management and control should report directly to the deputy head and be a member of the departmental management committee. He should always have the training and experience to act as the deputy head's adviser on all aspects of financial management and control, and to provide the necessary leadership to all financial staff in the department. (9.12)

37. Internal Direction and Guidance (paragraphs 9.13 to 9.19) — Some senior financial officers now put inadequate effort into directing financial staff at headquarters and in the field. Few give effective direction even in areas where there are opportunities to do so. For example, departmental financial manuals are often inadequate or not up to date, although they have improved recently, thanks largely to the efforts of Treasury Board evaluation teams examining this and other areas.

Senior departmental financial officers ought to give greater direction or guidance to staff performing financial management and control duties within departments. This should include as a minimum:

- *comprehensive departmental financial manuals;*
- *personal contacts with financial and other officers to whom they give technical direction, including formal meetings and periodic field visits; and*
- *participation in the selection, training and evaluation of financial staff, even where they are not directly under their supervision. (9.19)*

38. Scope of Responsibilities of Financial Staff (paragraphs 9.20 to 9.29) — The present system of financial management within departments tends to place more emphasis on keeping expenditures within allotment limits than on making the most effective use of funds.

This lack of concern about the effectiveness or the efficiency of spending has been accentuated by the ease with which money can be transferred within broadly defined appropriations and the extent to which surpluses have been available under existing budgeting methods.

Program managers often regard data submitted by them to Treasury Board or furnished to them by the centralized financial reporting system as of such questionable validity that

they lack a commitment to adhere to budget proposals or to use information reported by the financial system.

There is a general lack of recognition within departments that internal control should permeate all aspects of administration and financial officers have either seen their role as not encompassing these other areas or else they have been denied any involvement in them.

If there is to be greater accountability for public funds, as this report advocates, the role of the senior financial officers in departments must change.

Senior departmental financial officers ought to be given responsibility for:

- *providing budgetary, accounting and financial reporting services;*
- *ensuring that adequate financial controls exist over all assets and financial transactions;*
- *advising and supporting deputy heads and their staff in all matters pertaining to financial management and control;*
- *developing, monitoring and controlling budgetary allocations through analysis of financial reports and ensuring the adequacy of the systems used in their preparation; and*
- *furnishing technical direction and guidance to all personnel within departments responsible for these duties. (9.29)*

39. Appointment of Financial Officers (paragraphs 9.30 to 9.35) — The deputy head is responsible for the adequacy of his department's financial management and control systems. Other agencies, however, which may depend on financial officers, should be confident that they can rely upon their work and the data they produce. Deputy heads should have the right to say who should advise them, but the appointment of a senior departmental finance officer who has the confidence of those best able to judge his competence in financial matters, in no way erodes the deputy head's authority but gives him a better resource with which to discharge his responsibilities.

The Public Service Commission ought to appoint senior departmental financial officers only after consultation with appropriate central agencies to ensure that recognition is given to the qualifications and performance of the persons recommended by deputy heads. Appointments of other financial officers ought to be made within departments only after similar consultation with senior departmental financial officers. (9.35)

Need for Stronger Central Direction (Chapter X)

40. Consolidation of Central Responsibilities (paragraphs 10.1 to 10.36) — The Financial Administration Act gives the Treasury Board primary responsibilities for ensuring adequate financial management and control in the government.

In 1973 the Board issued the Guide on Financial Administration for Departments and Agencies of the Government of Canada. This Guide provides excellent guidance to departments which, if followed, would remedy many of the deficiencies in financial controls identified in this report. In 1974 the Secretariat began to evaluate departmental adherence to the Guide and this has had the effect of encouraging actions to improve financial controls. However, little has been done to make the resource allocation process more effective so that budgets can be controlled in the manner encouraged in the Guide.

Actions in other areas may have been difficult because of the overlapping statutory responsibilities assigned specifically to the Department of Supply and Services and the Department of Finance.

The Services component of DSS provides various services to departments on request, such as data processing, accounting, auditing and financial. In this role DSS may become aware of departmental practices which contravene parliamentary and Treasury Board instructions but is not, as a service agency, in any position to stop or draw attention to them.

The Minister of Supply and Services serves also as Receiver General for Canada. His department has direct responsibility for cash receipts in to and cash disbursements out of the Consolidated Revenue Fund, and for the central accounts of Canada, including the preparation of the Public Accounts. However, the law assigns to the Minister of Finance responsibility for managing the Consolidated Revenue Fund, for the form of the Public Accounts, and for the accounts kept in respect of assets and direct and contingent liabilities. Accounts concerning expenditures, revenues and other payments in to and out of the Consolidated Revenue Fund are subject to Treasury Board regulations. Thus central responsibility for financial management and control is shared among three departments.

The study demonstrates many deficiencies in financial management and control such as:

- departmental actions that tend to weaken the program orientation of the Estimates and Public Accounts introduced in 1970 to give Parliament and the public more useful information;
- ineffective budgetary control systems; and
- financial reporting systems that are held in low regard by most managers.

Many departments feel they are restrained from taking more effective action because of responsibilities assigned to central agencies.

Any solution calls for a clearer definition of the manner in which central responsibilities are assigned so that those responsible can take effective action.

All the recommendations in this report have as their objective the improvement of financial controls. The more significant ones, either specifically or by implication, recognize the need for

a central agency to supply overall direction. It is clear that if controls are to be co-ordinated and are to operate effectively, responsibility for the following activities should be clarified and unified wherever possible;

- recommending government policies, directives and guidelines in the area of financial management and control, and providing interpretations thereof;*
- advising on the form of the Estimates and Public Accounts;*
- assessing departmental program and activity structures, and cost and other measurement systems in support of them;*
- approving and monitoring departmental budgetary control, financial reporting and financial control systems;*
- providing analyses of variances between planned and actual financial performance;*
- establishing standards for and monitoring internal audit practices within departments agencies;*
- establishing the accounting practices governing the financial statements and Public Accounts of Canada; and*
- assisting the Public Service Commission in the selection, training and career development of financial staff. (10.36)*

I INTRODUCTION

TERMS OF REFERENCE AND SCOPE OF STUDY

1.1 On May 9, 1974, I informed departments and agencies of my plan for a government-wide study to evaluate the adequacy of financial management and financial controls in all departments and agencies of which I am the auditor. A description was included in my 1974 annual Report, with an announcement of plans to report as part of, or as a supplement to, my 1975 Report.

1.2 The study was planned for a two-year period. In the first year it concentrated on departments, also covering a limited number of departmental corporations included in Schedule B to the Financial Administration Act. Twenty-one departments and seven agencies were reviewed. In the year now under way, emphasis is on Crown corporations listed in Schedules C and D of the Financial Administration Act, for which I have been appointed auditor, as well as additional departments and departmental corporations. Consequently, this initial report is directed to financial management and controls within departments. A similar report may be desirable for 1976 extending the observations in this report once other departments, agencies and corporations have been examined. It is expected that this type of study will become a continuing and integral part of the audit approach of the Office of the Auditor General so that each department and agency for which I am auditor will be covered on a cyclical basis over a reasonable period of years.

1.3 As announced in my 1974 Report, the study was directed to an examination of:

- (a) statutes and Treasury Board regulations, policies, directives and guidelines relevant to financial management and control, and the extent of compliance therewith in departments and agencies;
- (b) financial systems and procedures in departments and agencies including budgetary controls, accounting for revenues, expenditures, assets, liabilities, commitments, and financial reporting systems;
- (c) integration of the departmental and agency accounting processes and systems with the central systems;
- (d) extent to which the financial systems and procedures are monitored and audited by internal or operational audit groups;
- (e) type, accuracy, timeliness, purpose and use of financial information and reports currently prepared;
- (f) extent of decentralization following on the recommendations of the Royal Commission on Government Organization and its impact on overall financial control; and

- (g) duties, responsibilities and functions of financial and accounting managers and staff with special reference to the system of financial and accounting control and the relationships of their function with central financial and accounting agencies.

1.4 The study is being conducted through the co-operation of Canadian public accounting firms. Sixteen firms assigned partners and managers to work with my staff in conducting these reviews.

1.5 Procedures call for individual reports to deputy heads of each department or agency examined. The appendix to this report provides details of the observations reported to each deputy head, together with their responses. The Office of the Auditor General will follow up on actions indicated by deputy heads to determine that the matters on which observations are made are actually remedied. Subsequent reports will draw to the attention of Parliament instances where departmental actions do not satisfactorily remedy matters.

1.6 Certain matters observed in the studies of individual departments or agencies appear to be attributable to inadequacies in government-wide or central agency systems or to restraints imposed by them. Since it was considered inappropriate to expect deputy heads to take unilateral, corrective action in these areas, recommendations on these matters were not included in the departmental reports and departments were advised that the reports to them would be subject to further analysis on a government-wide basis. This report contains the results of the analysis, and also elaborates on a number of common problems covered in the reports to departments. The observations in the departmental reports should be regarded as being added to or modified by the observations contained in the main body of this report.

HISTORICAL BACKGROUND

1.7 My 1974 Report indicated that this study arose as a result of the Audit Office's concern about the adequacy of financial and internal accounting controls in the government departments and agencies for which I have audit responsibilities, having regard for:

- the significant growth in government operations;
- the substantial delegation to government departments and agencies of responsibility for financial management and controls, as recommended by the Glassco Commission, which culminated in 1969 in the abolition of the Office of the Comptroller of the Treasury; and
- the increasingly large-scale use of electronic data processing.

It is important that this report place in proper perspective the reasons for the Glassco recommendations, and the nature and results of subsequent government implementation.

Glassco recommendations

1.8 In 1962 the Glassco Commission submitted the first of the several volumes that comprised its findings and conclusions. The first volume contained two reports of particular significance in view of the observations made in this report – A Plan for Management, and Financial Management. An examination of the first of these two reports, which are generally accepted as having influenced much of what subsequently happened in areas related to financial management and control, indicates that the Commission felt that:

- although ministers in principle are “accountable for all the administrative acts of their departmental staff”, in practice deputy heads “cannot avoid full personal responsibility for the day-to-day management of the organizations”;
- the system of central control exercised by Treasury Board, and the Comptroller of the Treasury needed changing because “by divesting departments of the authority essential to the effective management of their own affairs, the system tended to weaken their sense of responsibility”;
- a wide range of management tools, including “budgetary and accounting systems which permit better control over the allocation of financial resources and the assessment of performance” were not being systematically used;
- more effective central direction was needed, a number of means being proposed to strengthen Treasury Board’s ability to play such a role;
- there was need for central services, but “suppliers of services should exercise no control over the users except within the strict limits of any responsibility for applying special considerations of public policy”; and
- greater consideration should be given to administrative abilities in appointing people to certain key positions by having the Secretary of the Treasury Board participate in the process of advising the Prime Minister on deputy head appointments, and by making appointments to the positions of chief financial officer and chief personnel officer of departments “subject to approval by the Treasury Board”.

1.9 The Financial Management report proposed several ways the Treasury Board could play its central role more effectively, also suggesting dismantling of the less effective, if not harmful, controls exercised by the Comptroller of the Treasury, and to some extent by Treasury Board. Better central management was to be achieved by:

- making more visible the financial consequences of departmental programs and activities so that the performance of departments could be better assessed;
- better and longer-term budgeting;
- policies, in place of detailed regulations, on financial and administrative matters; and

- concurrence of Treasury Board in the appointment of the senior financial officer of each department and agency.

Closely associated with these proposals were recommendations for improved accountability to Parliament in terms of prospective expenditures as disclosed in the Estimates and in terms of retrospective review as provided through Public Accounts.

1.10 Thus, it can be seen that the Glassco proposals had two prongs: the first, more generally remembered and more fully implemented, proposed greater authority for deputy heads; the second, the one with which much of this report is concerned, sought to improve the ability of the government and Parliament to hold deputies properly accountable for this increased authority.

Implementation of Recommendations

1.11 The government during the 1960s acted on most of the recommendations of Glassco, although modifying some:

- the Secretary of Treasury Board was given enhanced status as a deputy head, and the Secretariat serving the Board became a separate department and was strengthened;
- a number of steps were taken to improve the budgetary process by extending the time span covered and by making it more program oriented;
- a number of general guidelines in the area of financial management were issued, and detailed regulations were withdrawn or modified;
- no powers of the former Comptroller of the Treasury, which restricted the financial authority of deputy heads, were given to the successor central service agency, the Department of Supply and Services, although its minister became Receiver General and thus his department continued to be responsible for significant central financial responsibilities; and
- departments took over much of the staff of the Comptroller of the Treasury, and instituted a number of steps to improve their financial management organizations and procedures.

The present situation and prevailing practices are described and analyzed in various sections of this report.

Other Influences Affecting Financial Management and Control

1.12 During the 1960s and early 1970s a number of other influences affected the development of financial management and control in the Government of Canada. These include:

- the almost fourfold growth in government expenditures since the Glassco study, and the resulting emphasis within the resource allocation process on controlling growth;

- the widespread delegation and decentralization of financial authority, and the consequent need for types of controls not required in the former centralized system;
- the Planning Programming Budgeting (PPB) and management information system (MIS) thrusts, each with its own proponents, fragmenting efforts to improve the government's financial information systems, and leaving a legacy of disillusionment about the usefulness of financial information as an aid to better management;
- the increasingly common practice of appointing deputy heads from among those who have distinguished themselves as policy advisers, but who have often not had comparable administrative responsibilities;
- the absence from the personnel systems of the rewards and sanctions for good and bad performance which would encourage individual managers to function in the responsible manner anticipated by Glassco; and
- the inability to attract and retain sufficient personnel with the skills necessary to design and to maintain adequate systems of financial management and control.

This historical background is presented as a setting for the observations and conclusions in this report.

II THE ESTIMATES AND PUBLIC ACCOUNTS

2.1 The Estimates and the Public Accounts provide the framework for financial control of the government by Parliament. The government presents its spending plans to Parliament through the Estimates; Parliament gives legal authority for these plans through the subsequent appropriation acts; and the government presents an accounting to Parliament through the Public Accounts. The ability of Parliament to play an effective role in the control of public funds depends directly on the nature, degree of detail and usefulness of the information provided in these documents.

2.2 The form of the Estimates and the Public Accounts influences the effectiveness of Parliament's financial control of the government, and of financial management and control within the government. Glassco stated that:

“As the main financial documents issued by the Government of Canada, the Estimates and Public Accounts should conform with the highest standards of financial reporting. The activities of government are now so complex that it is difficult to achieve simplicity in any accounting given to Parliament. However, this complexity makes it all the more imperative to devise accounting forms that will provide Parliament with the information necessary for effective control over public spending”.

2.3 In this chapter, the Estimates and Public Accounts are examined in terms of:

- Recent changes in the form and content
- Suggestions for improvements
- Proposals for altering responsibilities for their preparation.

ESTIMATES

2.4 Spending plans are submitted in Main Estimates, in excess of 1,200 pages in bilingual form, presented to Parliament shortly before the start of each fiscal year. Smaller Supplementary Estimates documents are presented periodically during the year requesting additional spending authority from Parliament, sometimes transferring spending authorities already granted.

2.5 The Main Estimates include the wording of appropriations for each program to be used in the subsequent appropriation acts. Equally important, as an expression of the nature of the authority granted by Parliament, are the analysis of program costs by activity and the narrative statement of the objective and sub-objectives of the program. These may be the main way Parliament learns and directs how the money will be spent since the wording of items in the appropriation acts is broad and often uninformative.

Changes in format

2.6 The format of the Estimates has been amended on several occasions in recent years on the initiative of Treasury Board:

- The number of votes has been reduced to one-third, primarily by bringing together under one program the several votes previously provided for each departmental

branch and by consolidating separate administration, capital and grants votes for each program where each of these items amount to less than \$5 million;

- The detailed listings and salaries of full-time and seasonal positions have been replaced by a summary of staff and salary ranges;
- The 34 standard and many special descriptive objects of expenditures have been grouped in 13;
- Listings of individual capital projects were limited to those costing more than \$250,000;
- A one-page summary has been amplified by approximately 90 pages of information and summary schedules;
- Information added to display information by programs and activities has included:
 - narrative statements of objectives and descriptions of activities;
 - schedules providing financial and staff details by activities, including the estimated value by programs of services provided without charge by or to programs;
- Non-budgetary authorities, previously presented separately, have been included with the budgetary authorities of each department; and
- Projected expenditures and revenues for each revolving fund and for some Crown corporations have been included whether or not an appropriation is being requested.

Changes in Content

2.7 Parliament exercises its control through the wording of appropriations for designated programs. Such wordings are first set out in the Estimates and later incorporated in appropriation acts. These wordings establish specific conditions limiting the manner in which the money may be spent or providing exemption from the general requirements of the Financial Administration Act or other legislation. Specific amounts of spending authority are provided for each item in the appropriation acts.

2.8 Before 1965, the Estimates were prepared in terms of responsibility (who was spending the money) and objects of expenditure (what services or assets were acquired with the money spent). Glassco focused attention on disclosing why the money was needed. Under the Glassco recommendation:

“All activities of Government would be disclosed as separate programs. Programs of like nature would be grouped under one vote. Votes of a similar functional nature would be consolidated in the ‘Summary by Functions and Services’ and the total would be presented in the ‘Summary by Functions’. Thus the parliamentarian would be in a position to analyse the Estimates, proceeding progressively from informative detail on each program to meaningful global totals”.

2.9 Before the Glassco report, individual votes frequently corresponded to organizational divisions. A large department with several branches might have 20 or more divisions each with a separate operating vote. Votes contained a fairly precise description of the operations financed through the appropriation, even though the objectives or purposes being financed were not specifically stated, by citing the title of the division, by providing a notation as to applicable statutes, by presenting unique objects of expenditure, and by providing extensive detail on staff, capital projects and grants.

2.10 For example, the Livestock Division of the Department of Agriculture was financed through a separate vote before 1965. The Public Accounts included a statement that “this vote was provided for expenditures in connection with the administration of (a) the Live Stock and Live Stock Products Act (b) the Agricultural Products Standards Act (c) record of performance service for dairy cattle and poultry and (d) sire assistance policies”. In addition “Purchase of livestock” and “Contributions for livestock improvement” were specified as unique objects of expenditure and the latter object was supported by a narrative description which included the following notation: “grants to horse breeding stations, \$1,350. To be eligible for the grant of \$250 per stallion, a proprietor must own or control three or more stallions which must serve an average of 25 mares.” This type of detail, while perhaps excessive, provided considerable certainty concerning the types of expenditures Parliament was authorizing when it approved each vote.

2.11 Glassco recommended that the number of votes be reduced to facilitate program budgeting, as well as to achieve a briefer, simpler and clearer presentation. This recommendation, however, was made in conjunction with one calling for details by “programs of activity” for each vote. Glassco anticipated that a clearer statement of the purposes of expenditures and more useful detail would eliminate the need for the larger number of votes and would give Parliament a better outline of plans and operations while giving greater flexibility to departments.

2.12 In 1965 the votes were consolidated, generally to the branch level within departments. Detailed information was retained in the format of the votes existing before 1965, pending implementation of the other improvements recommended by Glassco. In the 1970-71 Estimates, the detailed information for each of the votes existing before 1965 was dropped altogether, being replaced by the activity schedules and narrative statements of objectives and descriptions of programs.

2.13 Using the example of the Livestock Division, in the 1970-71 Estimates, all of the information provided in previous years was deleted and replaced by an activity presentation that did not even identify the Livestock Division as a separate item within the Production and Marketing Program. The costs of the Livestock Division, along with approximately 15 other Divisions in the Production and Marketing Branch, were allocated over the newly-defined activities of the Production and Marketing Program which included: Administration, Support Services, Farm Income Maintenance, Marketing, Production, Information and Promotion, Agricultural Pest and Disease Control, Race Track Supervision and Meat Inspection.

2.14 Glassco used the Marine Services Branch of the Department of Transport to illustrate a recommended level and type of detailed information which should be shown in the Estimates, Exhibit A (pages 30 and 31). Exhibit B (pages 32 and 33) shows the actual 1970-71 revision of the Estimates. The latter includes a statement of the program objectives, a briefer summary of activities and the actual cost information for the preceding year. In 1971-72 there were further major changes in the information disclosed in the Estimates for this program as illustrated by Exhibit C (pages 34 and 35). The 16 activities previously shown were grouped into four, a significant reduction in information in terms of things being done to meet the program’s objective.

EXHIBIT A - DETAILS SECTION OF MAIN ESTIMATES AS SUGGESTED BY
GLASSCO - OPERATIONS AND MAINTENANCE

MAIN ESTIMATES FOR 1962-63 COMPARED WITH
FORECAST EXPENDITURES FOR 1961-62-SERVICES—TRANSPORT

Vote No. 402

Marine Services - Operation and Maintenance (to be voted) \$ _____

Aids to Navigation is responsible for operation and maintenance of lighthouses, lights, lightships, fog alarms, buoys and beacons for coastal areas and the inland and Great Lakes waterways. Aids maintained consist of 4 lightships; 3022 lights of various types, 1259 light and signal buoys; 428 fog signals, 10,449 other miscellaneous floating aids.

Provision is made for the daily operation and continued running maintenance of the various Canals comprising the Secondary Canal System, which includes 110 locks and associated structures, such as supply and waste weirs; buildings; roads; 109 movable bridges; numerous fixed bridges; docks; wharves; and reaches. This comprises the Rideau, Trent, Murray, Carillon-Grenville, Chambly, Ste. Anne, St. Ours, Canso and St. Peters Canals.

<i>Details</i>	1962-63 Estimate	1961-62 Forecast	Increase or (Decrease)
<i>Programme by Activities-</i>	\$	\$	\$
Aids to Navigation:			
Removal of Obstructions.....	—	—	—
Repairs to Wharves.....	—	—	—
Agencies.....	—	—	—
Canals:			
Nova Scotia.....	—	—	—
Quebec.....	—	—	—
Rideau.....	—	—	—
Trent and Murray.....	—	—	—

Pilotage Districts:

St. John's, Nfld.....	—	—	—
Labrador.....	—	—	—

Total Program Cost.....

—	—	—
—	—	—

Consisting of-

Salaries and Wages.....	() —	() —	() —
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Other Expenditures.....	—	—	—
-------------------------	---	---	---

—	—	—
---	---	---

—	—	—
---	---	---

Less: Recoveries from other
departments or agencies.....

—	—	—
---	---	---

—	—	—
---	---	---

Less: Associated revenues.....

—	—	—
---	---	---

Total Program Cost.....

—	—	—
—	—	—

EXHIBIT B - DETAILED INFORMATION AS PRESENTED IN THE 1970-71
MAIN ESTIMATES - OPERATIONS AND MAINTENANCE

MARINE SERVICES PROGRAM - TRANSPORT

OBJECTIVE

To support waterborne commerce by arranging for the provision of facilities and services to promote the safe and efficient movement of marine traffic.

SUB-OBJECTIVES

To provide the essential basis for orderly relationships in respect of the uniquely maritime features of commercial shipping.

To determine the need and arrange for the management of arterial and terminal facilities to the extent assigned to the Department by the Government.

PROGRAM DESCRIPTION

Administration - District and regional administration, including offices of the Assistant Deputy Minister.

Aids to Navigation - The installation, operation and maintenance of aids to Marine navigation; the administration of the Navigable Waters Protection Act and the applicable sections of the Canada Shipping Act.

Harbours and Property - Administration of Federal Harbours with particular reference to the relationship of the Department with local Harbour Commissions and legislation pertaining thereto.

Canals - Maintenance and improvement of navigation canals, which include the Trent, and Murray and Rideau in Ontario; the Carillon, Ste. Anne, St. Ours and Chambly in Quebec; the St. Peters and Canso in Nova Scotia.

PROGRAM BY ACTIVITIES

Activity	Proposed Estimates 1970-71	Forecast Expenditure 1969-70	Change	Actual Expenditure 1968-69
Administration.....	—	—	—	—
Aids to navigation.....	—	—	—	—
Harbours and Property.....	—	—	—	—
Canals.....	—	—	—	—
Hydraulics Research and Development.....	—	—	—	—
Marine Traffic Control.....	—	—	—	—
St. Lawrence and Saguenay Ship Channels.....	—	—	—	—
Arctic Resupply.....	—	—	—	—
Coast Guard College.....	—	—	—	—
Icebreaking and Escorting.....	—	—	—	—
Search and Rescue.....	—	—	—	—
Ship's Services to Other Government Programs.....	—	—	—	—
Weatherships.....	—	—	—	—
Shipbuilding.....	—	—	—	—
Nautical Services.....	—	—	—	—
Pilotage Services.....	—	—	—	—
Steamship Inspection.....	—	—	—	—
Less: Receipts and Revenues Credited to the Vote.....	—	—	—	—
Total Estimates.....	—	—	—	—
Add: Services provided by other departments.....	—	—	—	—
Accommodation provided by this department.....	—	—	—	—
Total Cost of Program.....	—	—	—	—

EXHIBIT C - DETAILED INFORMATION AS PRESENTED IN THE 1971-72
MAIN ESTIMATES - OPERATIONS AND MAINTENANCE

MARINE TRANSPORTATION PROGRAM - TRANSPORT

OBJECTIVE

To provide facilities and to foster the optimum development of the Marine mode of transport, consistent with the protection of the environment, on a cost-recoverable basis to the maximum practicable extent.

PROGRAM DESCRIPTION

Administration - The Office of the Administrator, Canadian Marine Transportation Administration, his functional support staff and regional and district administrations.

Terminal Facilities - Administration of designated public harbours and other Federal marine properties, and legislation pertaining to local harbour commissions.

Way Facilities - Provision and maintenance of a complete seaborne and shore support service within Canadian arterial waters and coastal approaches to promote the safe and effective movement of marine traffic.

Marine Regulations - Development and enforcement of legislation, regulations and standards for the safe and efficient movement of marine traffic, including the investigation of marine accidents.

PROGRAM BY ACTIVITIES

Activity	Proposed Estimates 1971-72	Forecast Expenditures 1970-71	Change	Actual Expenditures 1969-70
Administration.....	—	—	—	—
Terminal Facilities.....	—	—	—	—
Way Facilities.....	—	—	—	—
Marine Regulations.....	—	—	—	—
	—	—	—	—
Less: Receipts and Revenues Credited to the Vote.....	—	—	—	—
	—	—	—	—
Total Estimates.....	—	—	—	—
	—	—	—	—
Add: Services provided by other departments.....	—	—	—	—
Accommodation provided by this department.....	—	—	—	—
	—	—	—	—
Total Cost of Program.....	—	—	—	—

Effectiveness of changes

2.15 The government endorsed the Planning Programming Budgeting (PPB) concepts and the 1970-71 Estimates were prepared in that format. These concepts place emphasis on the clear determination of the objectives of each program and the analysis of financial data in relation to the benefits to be derived from the expenditure of the funds requested.

2.16 In the new format of the Estimates, the narrative statements of objectives might be regarded as the guide to the propriety of charging expenditures to an appropriation, supplemented by the descriptive detail by activities, but these have no legal significance since neither is incorporated in the wording of appropriation acts. The vote wordings contained in such acts are standardized and uninformative, and lack the certainty characteristic of well-drafted law.

2.17 The PPB Guide issued by Treasury Board in 1969 indicated that program objectives should meet the following criteria:

- “(a) the objectives of the program should be compatible with each other;
- “(b) they should be directly translatable to explicit benefits, preferably to benefits that can be measured quantitatively;
- “(c) they should be stated in a way to encourage the consideration of a number of different yet feasible alternative activities, i.e. the objective should not define the method;
- “(d) they should be defined with enough precision to permit identification of any activity within a program which does not contribute to the objectives of that program; and
- “(e) they should be consistent with the department’s role as set out in the legislation governing its operations.”

2.18 Examination of the Estimates book clearly indicates that these criteria are rarely satisfied. In most cases, program objectives and sub-objectives are so broadly stated that they:

- cannot be meaningfully challenged;
- provide an umbrella giving a department the apparent mandate to undertake almost any project within its field of interest;
- do not provide a clear reference of what was intended for those responsible for budgetary review, budgetary control or financial reporting;
- create difficulties for those auditing expenditures to verify that they are in accordance with the apparent intent of Parliament;
- do not disclose what results will be derived from the expenditure of funds; and
- are stated in such a way that costs of various means of pursuing stated objectives cannot be estimated accurately.

2.19 The present Estimates appear to imply the government's implementation of PPB concepts, but this is misleading because of the lack of adequate underlying quantitative information on costs and benefits. The existing information provides little practical indication as to what those involved in the programs actually do, who benefits, or the precise objectives sought.

2.20 The summary information provided in the Estimates is also of limited validity. The presentation of departmental program costs under "functions", "sub-functions" and "functional programs" is relatively arbitrary and may be misleading because costs can be meaningfully analysed in many ways. For example, the meat inspection activities of the Department of Agriculture might be classified within the — Protection of Persons and Property — Consumers Services "sub-function" as well as within the Economic Development and Support — Primary Industry "sub-function" where it now is included.

2.21 Costs can be analysed within programs in many ways. Examples can be found in the Estimates where activities are displayed in terms of the costs of:

- producing operational outputs or of administrative or supporting services;
- commodities, products or problem areas;
- sectors of the public benefitting from the program; and
- resources to be acquired.

2.22 In many departments, however, the current activity structure is either a simple aggregation of organizational costs or an imprecise estimate of costs that cut across organizational lines based on criteria which are often difficult to support. Departments have shown little more than a casual interest in developing activity structures that permit costs to be related to quantitative data identifying results to be produced. By not disclosing that activity information in the Estimates actually reflects organizational costs, departments are not committed to reporting organizational costs in Public Accounts when some alternative costing better suits their purposes.

Suggested improvements

2.23 Although there must be some standardization, it appears that no rigidly uniform system of presentation can be developed to answer the needs of Parliament in all cases. The present Estimates demonstrate that a significant loss of information results when standardization is carried too far.

2.24 The summary of programs by defined "functions", "sub-functions" and "functional programs" provides a useful summary of the uses to which appropriations are to be applied. It should be continued, but perhaps in a number of alternative forms in order to analyse government expenditures from several perspectives. For example where a program contributes to more than one objective of the government its costs might be included in each of them to show a more complete presentation of the government's efforts in each area.

2.25 Within a program, there may be several ways of presenting financial information to Parliament. Research is required on each individual program to develop forms of presentation that would provide a better basis for Parliament to establish the accountability of government and to exercise financial control through appropriations. It is worth noting that when the United Kingdom carried out a similar review several years ago there was no reduction in the number of appropriations or of sub-divisions used to support the appropriations. The revised presentation was designed to link headings used for economic planning purposes with those used for financial management purposes and demonstrates the value of not carrying standardization to the extreme.

2.26 Changes in the Estimates to provide a better basis for parliamentary control, at the same time making more visible the uses to which funds are to be put, include the following:

- A \$500 million program with four activities now is presented in the same form as a \$5 million program with four activities. Further breakdown of some larger programs and, conversely, elimination of detail for some smaller ones would produce a more useful product, although size should not be the sole determinant and the nature of the program should also be considered.
- Specific and more descriptive objects of expenditure could be used in the Estimates to explain resource requirements rather than the standard objects which tend to obscure useful information. Government-wide aggregations can be provided through analysis of data kept by departments on a uniform basis.
- Segregation of costs arising directly from the performance of specifically legislated responsibilities from those not subject to legislation would give Parliament improved information on the costs of administering specific statutes.
- The usefulness of narrative information could be improved by including explanations of changes from the prior year, and of any special accounting practices.
- Objectives could be stated in operational terms in the Estimates.
- Activities could be described in terms of quantitative results expected, wherever practicable.
- Capital expenditures and grants and contributions could be identified separately where operational activities are not appropriate, as in the case of general purpose capital facilities.
- Memorandum or notational costs and revenues could be allocated more specifically so as to disclose the net cost of each activity. At present, only cash disbursements are analysed by activity; cost of services provided without charge and related revenues are disclosed only by program.

2.27 There may be value in further changes to the vote structure provided supporting data are significantly improved. The present concept of establishing more than one vote for most departments may reduce to some extent the internal competition for funds within

departments and it may also retard the effective disclosure of useful financial information. For example, the Department of Agriculture has separate Administration, Research, Production and Marketing, Health of Animals and Canadian Grain Commission votes based on a preferred organizational structure but it may be useful for those in Parliament who are interested in obtaining financial data in respect of a specific food system to receive the information being developed for internal analysis of departmental costs in terms of agricultural products.

2.28 With some major exceptions, the wordings and amounts in the Estimates are virtually frozen, as far as departments are concerned, approximately six months before the beginning of the fiscal year. By the date of presentation to Parliament, most departments are aware of major changes, not reflected in the Estimates, in financial results for the current year and in the outlook for the Estimates year. Estimates information should be updated with significant information just before tabling in Parliament.

2.29 The Estimates do not adequately point up special provisions or changes from the previous year so as to draw them to Parliament's attention. Such changes from the prior year could be underlined as is the practice in material supporting bills amending other legislation.

2.30 Some additional information might be included in the Estimates:

- a brief summary of major changes in legislation or general economic conditions not provided for. For example, a transmittal letter for the 1974-75 Main Estimates could have mentioned that anticipated costs of the new Oil Import Compensation Program had not been included;
- the important underlying costing assumptions, such as the manner of providing for anticipated price changes;
- the economic assumptions on which estimates are based for programs subject to major fluctuations in costs, such as the Agricultural Stabilization Account, Central Mortgage and Housing Corporation or Unemployment Insurance Account; and
- a forecast of all unused appropriation authorities which do not lapse and will be available to carry forward from the current year.

Responsibility for improvements

2.31 Past changes in the form and content of the Estimates have not had the results that might have been hoped for. In the past, the Treasury Board Secretariat has taken the initiative in suggesting changes. Significant changes have been tested by a limited number of departments, and the Public Accounts Committee has been informed of major changes in advance of implementation. This may have resulted in increased standardization without adequate consideration of specific applications to individual departments. Through implementation, or through year-to-year modifications, the Estimates have not realized the benefits that might have been anticipated for purposes of parliamentary control of government finances.

2.32 In making these changes, Treasury Board appears to have given insufficient attention to financial control. Quite naturally problems of resource allocation have concerned the Treasury Board Secretariat more than problems of accountability. This leads to presentations being approved that are impossible to cost accurately and to control by comparing actual with planned expenditures.

2.33 These deficiencies might be overcome by requiring departments to explain and justify in advance to the House of Commons committee responsible for reviewing their Estimates any significant proposed changes in the degree or nature of disclosure. These committees could also consult the Treasury Board and other central agencies, as well as the Office of the Auditor General, to obtain their views on departmental proposals.

2.34 The present Estimates structure and content make it difficult to ascertain the precise intent of Parliament or of the government in appropriating funds and for my staff in auditing departmental appropriations to ascertain that funds are used for the purposes intended by Parliament. It is therefore difficult for my Office to discharge the responsibility assigned to me in Section 61(1)(c) of the Financial Administration Act — namely, to call attention to every case where “any appropriation was exceeded or was applied to a purpose or in a manner not authorized by Parliament”.

2.35 *A comprehensive study of the form of the Estimates, and of the information submitted by each department and agency in support of appropriation requests, is required to determine changes needed to achieve better disclosure, as well as better control by Parliament and by the government of departmental spending in relation to the appropriations granted.*

PUBLIC ACCOUNTS

2.36 Since 1961 the Public Accounts have been published in three volumes:

- Volume I provides a wide variety of analyses of the accounts of Canada; it includes: Statements of Assets and Liabilities and Expenditure and Revenue called for in the Financial Administration Act as well as several other summary statements; details of each budgetary appropriation granted by Parliament; other miscellaneous statements for which there is a statutory or other requirement.
- Volume II presents financial information by individual departments and agencies, repeating some of the detail by appropriations contained in Volume I and reporting actual expenditures in relation to the supporting details included in the Estimates. It also provides other miscellaneous data on specific transactions and balances requested by Parliament.
- Volume III includes the financial statements of Crown corporations and other corporations in which the government has invested.

2.37 The 1965 Public Accounts, following Glassco, made these changes:

- introduced the estimated value, by department, of services provided to or by others without charge;

- provided a memorandum statement of accounts receivable by department and agency;
- deleted the listing of employees receiving salaries at annual rates of \$8,000 or over and travelling expenses of \$500 or over; and
- deleted the listing of payments to suppliers and contractors receiving \$10,000 or more.

Consequent on the changes to the 1970-71 Estimates, further changes were made in the Public Accounts in 1971, affecting the text and certain statements.

Suggested improvements

2.38 Since the Estimates have such a significant impact on the Public Accounts, any changes that may result from a study of the former will automatically improve the latter. In addition, other matters such as those discussed in the paragraphs that follow should be studied with a view to improving the Public Accounts.

2.39 Volume I now includes general summary information and all requirements for specific reporting established by legislation. The most important statements are spread through Sections 2, 9 and 10 of Volume I. Any person not intimately familiar with their location and content is likely to find them difficult to use and to relate one with another. Volume II presents supplementary information in a format which generally follows that of the Estimates. Much expenditure data included in Volumes I and II are repetitive. In the case of asset and liability accounts, Volumes I, II and III together provide detailed information as to the authority and purpose of the account, the balance outstanding and the details of transactions processed through the accounts, but with only limited cross-referencing of related information.

2.40 The Report of The Independent Review Committee on the Office of the Auditor General made recommendations for improving the content of the Public Accounts. Specifically, it proposed that the most important statements should be brought together in the Public Accounts including:

- a statement of expenditures and revenues;
- a statement of changes in financial position or a statement of transactions;
- a statement of assets and liabilities.

Because these statements differ from the conventional statements having similar names produced in the private sector they should be supported by an explanation of the accounting practices followed in preparing them.

2.41 Other changes that would improve the format of the Public Accounts, include:

- Reduce the size and simplify the style of Volume I so that it emphasizes the summary statements of the Government of Canada. Appropriation details should be

eliminated through cross-references to Volume II. The ideal should be something comparable in style and readability to the “Budget in Brief” presentation of the Estimates, but with more specific and substantive data.

- Include in Volume II all the information necessary to account for the appropriation authorities granted to individual departments and agencies. It should parallel as closely as possible the Estimates structure to facilitate review and maintenance of the government’s accountability to Parliament and should present complete details on the authority and transactions processed through non-budgetary and special accounts. Narratives should provide meaningful explanations of major variations between Estimates and actual results, related to quantitative data on program results, wherever possible. It should also contain information with respect to specific transactions, bad debts, real property holdings, minor grants and contributions and professional service contracts.
- Continue to provide in Volume III the financial statements of Crown corporations. It could contain a narrative statement of major changes during the year for each corporation together with summary analyses showing assets and liabilities, revenues and expenditures, by groupings of corporations. Any Crown-owned corporations not now included in Volume III should be added with appropriate explanations as to their different natures. This volume should also contain summary information on loans and advances to Crown corporations now included in Volume I of the Public Accounts, together with summaries of such key information as the gross revenue, net operating results, cash balances, net working capital position and net assets.

2.42 Integration of the timing and content of departmental annual reports with the material supplied by departments for the Public Accounts would ensure that they are prepared in a consistent manner and complement the Public Accounts by providing cost details, quantitative information on results, and narrative information which cannot be provided within the constraints of the Public Accounts format.

2.43 The Public Accounts do not reflect the Estimates in all respects. For example:

- the “functional”, “sub-functional” and “functional program” aggregation of costs in the Estimates is not reported in the Public Accounts in the same level of detail;
- capital projects itemized in the Estimates are not itemized in the Public Accounts in a way that facilitates comparisons;
- revenue detail is more aggregated; and
- the amounts in the Estimates columns under statutory authorities are not the amounts originally forecast in the Estimates.

Since the detail in the Estimates supplements the more restricted content of appropriation acts in establishing the accountability of government, these inconsistencies should be corrected and preparation of the Public Accounts more closely co-ordinated with the Estimates.

Responsibility for improvements

2.44 The Financial Administration Act gives the Minister of Finance authority to direct the form in which the Public Accounts will be prepared. In practice the Receiver General prepares the Public Accounts with little direction from the Minister. The form of the Estimates which are the responsibility of the Treasury Board directly affects the Public Accounts, since the Estimates provide the basis for the appropriations and prescribe much of the additional detail subsequently reported.

2.45 There seems little reason in practice or in theory for the Minister of Finance continuing to be responsible for the form of the Public Accounts. The Department of Supply and Services should continue to act in a service role in preparing the Public Accounts, but it should not be responsible for the form and content. The responsibility should be assigned to the same central agency as is responsible for advising on the Estimates format and content, so that the two documents can be more closely co-ordinated.

2.46 *A single central agency should be responsible for the form of Estimates and the Public Accounts so that a more adequate and consistent accounting can be rendered to Parliament.*

III ALLOCATION OF RESOURCES

3.1 This chapter is not concerned with the wisdom of the decisions made in the process of allocating available funds but rather with the value and quality of the information on which the decisions are made. There is need for such information to be clearly formulated and understood if managers are to be expected to manage and control funds in line with Parliament's and the government's intent.

3.2 Glassco made a number of proposals for improving the process of resource allocation, recommending that departmental estimates be prepared on the basis of programs of activity and that more objective standards for analysis and comparison be developed and employed in the review process by senior departmental management and Treasury Board. Glassco also dealt at length with non-tax revenue, recommending that departments annually assess the operation of all services to the public and make recommendations for maintaining appropriate relationships between the revenues derived from the service and the cost of providing it.

3.3 The Planning, Programming and Budgeting system (PPB), which influenced the new format for the Estimates in 1969, also changed methods of resource allocation. PPB recognizes that total resources are limited and that the government has to set priorities for resource allocation.

3.4 The resource allocation process now includes four main stages: Establishment of Priorities, Program Forecasts, Main Estimates and Supplementary Estimates. The Establishment of Priorities by Cabinet is intended to provide a framework for the Program Forecast. The Program Forecast, added as a stage in 1966, gives Treasury Board an opportunity to review departmental priorities and to set targets before formal Estimates submission. The Main Estimates provide the basis for financial authority to be requested from Parliament, and show the precise resources needed in the next fiscal year. Supplementary Estimates result from changes in departmental requirements for the year, leading to additions to or adjustments in amounts reported in Estimates already tabled.

3.5 Changes in the resource allocation process have been designed to facilitate allocation of resources in line with expressed government policies. Progress has been made, but it is apparent that weaknesses remain in the process as now constituted.

3.6 This chapter describes relevant aspects of the resource allocation process, sets out some strengths and weaknesses, and proposes some opportunities for improvement under the following headings:

- Communication of government objectives and priorities;
- Program Forecasts and Estimates;
- Non-tax revenues.

COMMUNICATION OF GOVERNMENT OBJECTIVES AND PRIORITIES

Present process

3.7 The resource allocation process starts with establishment of general priorities by the Cabinet Committee on Priorities and Planning after discussion of the major issues facing the government, and their financial implications for the year concerned. Objectives are stated in general terms and are not ranked in order of importance. Decisions are communicated to all ministers, as well as to deputy ministers, and thus are made known to departments. In future, objectives are to be set in the fall before departments prepare Program Forecasts, but this is not done now.

3.8 In mid-March, approximately 12 months before the start of the estimates year concerned, the Cabinet reconsiders its priorities in the light of information provided to the Cabinet Committee on Priorities and Planning by the Department of Finance and the Treasury Board Secretariat. The Department of Finance prepares a fiscal framework statement projecting a number of factors for a four-year period including revenues, economic growth, price stability and employment. This statement also proposes an appropriate share of the gross national product for the federal government and recommends a fiscal stance to achieve economic balance. The four-year projection includes changes for the fiscal year just beginning (Current Year), considerable detail for the succeeding year (New Year) and more general information for the following two years.

3.9 The Treasury Board Secretariat submits an expenditure forecast for the Current Year, a projection of the costs of continuing in the New Year and in the two succeeding years programs currently in existence, new programs or proposals approved by Cabinet, and the amount of reserves expected to be needed for unforeseen contingencies. The Secretariat also includes any significant new programs that it knows departments and agencies will propose in the impending Program Forecasts.

3.10 The Treasury Board Secretariat, the Department of Finance and the various departments exchange information during the preparation of the documents submitted to Priorities and Planning. For example, the Treasury Board Secretariat, in its projections of expenditures, uses the Department of Finance's economic assumptions on such matters as the consumer price index, the gross national product and unemployment. In addition, Treasury Board program analysts gather information from departments on such matters as projected workload increases, grants and contributions, transfer payments and capital projects.

3.11 In April, the Cabinet Committee discusses the submissions from the Department of Finance and the Treasury Board Secretariat. This results in a Cabinet document providing guidance on spending limits and tax policy changes for the New Year and the two succeeding years. It includes specific guidance on expenditures resulting from the implementation of new policy thrusts, general guidance on priorities for financing new programs and a decision on the amounts of reserves needed to allow for unpredictable and unavoidable expenditures.

3.12 Throughout the year, the Treasury Board Secretariat receives further information on changing Cabinet priorities since a member of the Program Branch attends Cabinet committee meetings.

3.13 Procedures for determining objectives and priorities within departments vary. The senior officers of few departments formally communicate either the government's or their own priorities to staff involved in the initial preparation of Program Forecasts. More often, priorities are settled while reviewing Program Forecast submissions from within or else are left unsettled until Treasury Board review.

Application of priorities

3.14 Assignment of priorities results in changes in the means by which activities are undertaken, and the nature of or the level of attainment of various public services. Departments are expected to reflect Cabinet objectives and priorities in Program Forecasts, but since statements of objectives and priorities are not precise to the point of defining specific programs, departments make their own subjective assumptions concerning priorities within the broad guidelines given by Cabinet and the levels of available funds.

3.15 When introduced, the Program Forecast was intended to provide an opportunity for longer-term planning by departmental management, and a means for Treasury Board to give preliminary guidance on the likely allocation of resources. In practice, many Program Forecasts are based on detailed budgets prepared by individual managers throughout departments. Few departments prepare long-range plans and many lack effective short-term planning. Departmental perceptions of broad government objectives and priorities, as well as the department's own objectives and priorities, are not communicated effectively to managers before they provide their input to the Program Forecasts. As a result, Program Forecasts submitted to the Treasury Board Secretariat often reflect an aggregation of the current objectives of individual managers rather than a unified response to objectives of the government or of senior departmental management. Managers tend to exert upward pressure on expenditure levels. Without properly established objectives and priorities, they have little reason to do otherwise. Time is spent preparing and reviewing abortive proposals, and programs responding to government objectives may not be planned so that they may start on a timely basis.

3.16 In the approximately seven months between the submission of Program Forecasts and the submission of Main Estimates, governmental and departmental objectives and priorities may change. Additional expenditures approved by Cabinet later as a result of department submissions during the two-year period between the submission of Program Forecasts and the end of the year concerned can amount to nearly three times those authorized as part of the review of Program Forecasts.

3.17 Communication of governmental objectives to departments in time for them to be reflected in Program Forecasts and Estimates is critical since current government objectives need to be supplemented and interpreted by departments before they can be

applied by those managers responsible for detailed budgeting. The extent and timing of such communications depends on a department's choice as to when lower level management participates in preparing budgetary submissions. Inability of a department to communicate the government's and its own objectives and priorities probably indicates that its involvement of lower levels of management in detailed budget preparation is premature.

3.18 *There is need for governmental and departmental objectives and priorities, detailed enough to provide effective guidance, to be communicated formally and on a timely basis to managers responsible for the various aspects of financial planning.*

PROGRAM FORECASTS AND ESTIMATES

Description of procedures

3.19 The Treasury Board Guide on Financial Administration states that "Program Forecast submissions should be prepared centrally (by departments) because their purpose is to establish the levels of funding which are appropriate for each program taking into account competing demands for scarce funds". In practice, a significant number of departments require operational managers to prepare detailed budgets to provide the basis for Program Forecast submissions to Treasury Board.

3.20 Program Forecasts have two components: the A Budget is the cost of carrying on, at the same level of quality, existing programs and services; the B Budget is the cost of new programs or services, together with any improvements to those provided in the Current Year.

3.21 In December approximately 15 months before the fiscal year concerned the Treasury Board Secretariat asks departments by letter to submit Program Forecasts. All such letters are basically similar, although some may request additional information. These letters also communicate any changes in preparation and submission procedures not reflected in Treasury Board Secretariat publications dealing with resource allocation.

3.22 Program Forecast submissions describe the purposes of each program, and analyse and justify forecast expenditures by activities and by standard objects of expenditure. The A Budget is calculated on an incremental basis using the Current Year Main Estimates as the starting point for the New Year forecast. There is virtually no attempt at zero-based budgeting (i.e. justifying all amounts requested), except in the areas of capital expenditures and grants and contributions.

3.23 Program Forecast procedures for the A Budget allow certain increases to the Current Year Main Estimates (excluding capital and grants and contributions) in arriving at the A Budget for the New Year. Among these are the effects of specific Cabinet decisions since the Main Estimates, actual increases in wage costs, specific price increases, provisions for increases in workload and required increases in statutory payments.

3.24 The B Budget is less a formula approach. New proposals are supported by relatively lengthy narratives. Cost estimates, however, are presented only to the same activity and object-of-expenditure level as in the A base.

3.25 Capital expenditures receive somewhat different treatment. The capital budget is a continually updated record of approved and proposed capital projects costing \$250,000 or more, stating financial requirements and containing appropriate explanatory material. It covers a six-year period: the Current Year, the New Year, and the four succeeding years. Capital budgets are updated quarterly through submissions to the Treasury Board Secretariat. The most recent engineering estimates are used in capital budgets, and allowances for general price increases are not permitted.

3.26 In addition to dollar requirements, Program Forecasts also forecast staff requirements, expressed in terms of man-years. For each activity in the Program Forecasts, man-years are disclosed in a manner similar to dollar requirements. Man-year forecasts show man-year totals for continuing employees and for casuals and others.

3.27 Program Forecasts and Estimates are dealt with according to the following timetable covering the year immediately preceding the beginning of the fiscal year to which they apply:

April and May

- Submissions are analysed in the light of government priorities and briefing documents are prepared for review and submission to Treasury Board.

June and July

- Treasury Board reviews submissions and briefing documents with responsible ministers and recommends total budgetary levels for departments for consideration and approval of the Priorities and Planning Committee and Cabinet.

August

- Letters are sent to departments by Treasury Board giving them their approved budgetary levels.

October and November

- Main Estimates are submitted by departments to Treasury Board where they are analysed with particular attention to departures from proposals submitted, supported and approved in the Program Forecast review.

December

- The Estimates are considered by Treasury Board and then by Cabinet for approval of final appropriation levels.

- The Main Estimates “Blue Book” is tabled in Parliament.

The process is illustrated in greater detail in Exhibit D (page 51).

3.28 Following the Main Estimates, departments must provide Treasury Board with forecast man-year requirements for each quarter of the fiscal year for each activity. Within approximately three weeks after the end of each quarter, departments are required to submit actual man-year usage reports to the Secretariat.

3.29 Supplementary Estimates are normally called for in two stages, in September and again in January. They are submitted to the Treasury Board Secretariat in the subsequent month and are tabled during the second month after the call. Supplementary Estimates are required for programs approved since submission of the Main Estimates, for unforeseen additional expenditures on previously approved programs and for reallocation of funds between votes administered by the same department.

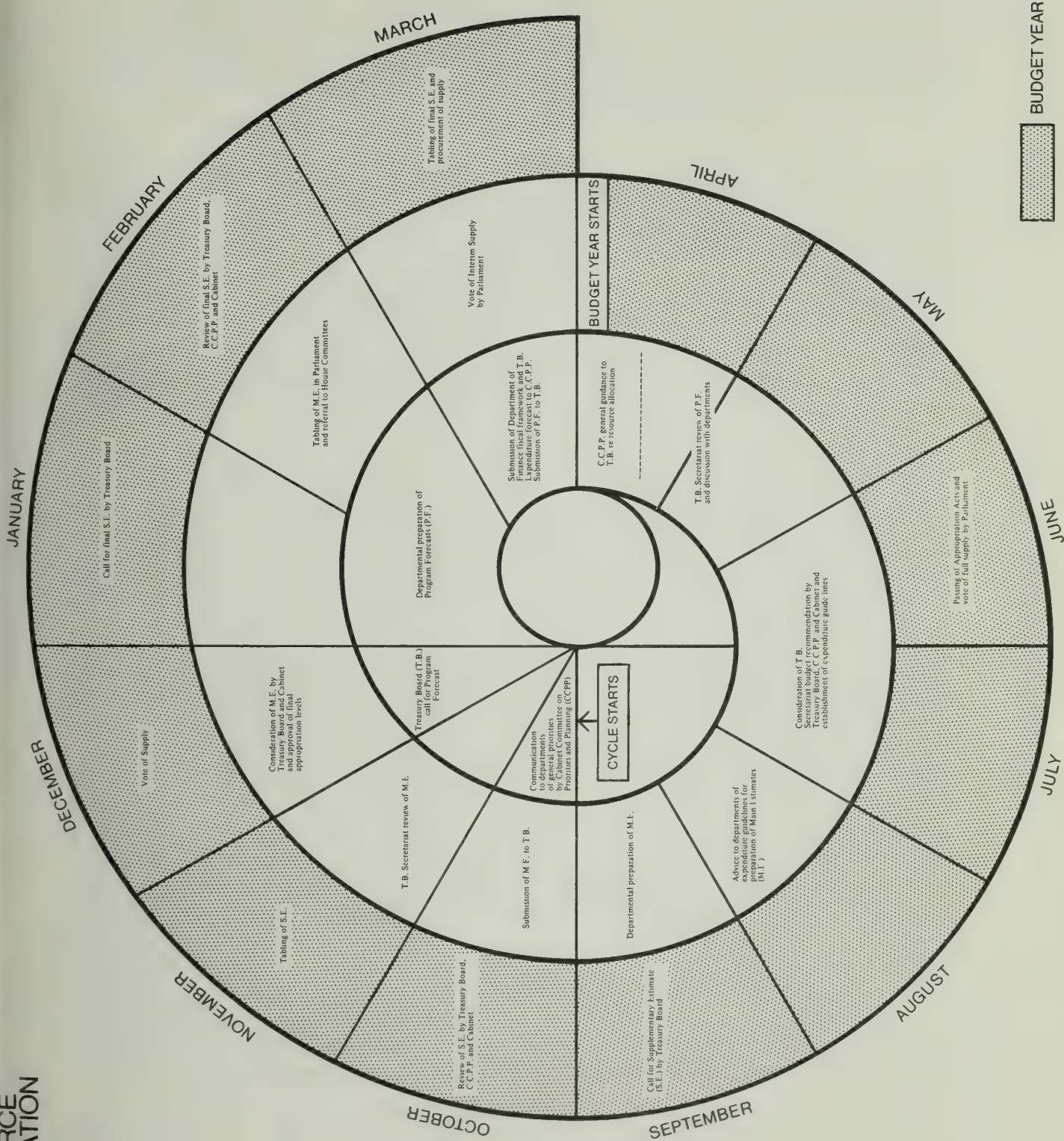
3.30 In addition to advancing new proposals through the B Budget at the Program Forecast stage, departments prepare submissions during the year requesting approval of new programs. Those requiring policy decisions are referred to Cabinet committees for policy approval; others are referred to the Treasury Board for approval in principle.

3.31 A Quarterly Expenditure Review presenting the financial requirements for all approved submissions is prepared for consideration of Treasury Board and the Cabinet Committee on Priorities and Planning. Supplementary Estimates are restricted to requirements that have received Treasury Board and Cabinet approval through the Quarterly Expenditure Review.

Assignment of responsibility for Program Forecasts

3.32 The Program Forecast and Estimates Manual states that Program Forecast submissions should be put together from the “top down” rather than from the “bottom up”. In the “top down” approach, Program Forecasts are prepared centrally by senior departmental management with other levels providing planning information through continuous dialogue within headquarters and between headquarters and regions. The “top down” approach unifies planning, while still providing for that vital input by lower-level managers which is necessary to ensure that major evolving issues are considered in the Program Forecasts and that managers will feel a commitment towards the resulting budget.

3.33 The “bottom up” approach involves combining individual forecasts prepared at the various levels within the organizational hierarchy. Its use by many departments has a number of implications, such as: extremely lengthy Program Forecasts and excessive detail as compared to laid-down requirements; wasted time of lower-level managers; and frustration on the part of these managers over seemingly arbitrary budget changes made subsequently. This is made worse where departments, as noted previously, ask managers to prepare Program Forecasts with little or no communication of priorities or guidance.



3.34 The detailed forecasts, prepared by lower-level managers approximately 15 months before the New Year, often form the basis for the detailed operating budgets against which performance is eventually measured. These detailed budgets should be prepared later when program issues are settled, price changes known and the results of the Current Year's operations at least partially available.

3.35 One reason for the common use of the "bottom-up" approach is the perceived continuity between the Program Forecast and Main Estimates submissions. Budget levels set by Treasury Board based on Program Forecast review are thought to be effective expenditure ceilings for the preparation of Main Estimates. Although one stated purpose of the Main Estimates is to demonstrate that a detailed costing of resource requirements has been carried out, in practice this is done at the Program Forecast stage.

3.36 *Senior management of departments and agencies should prepare Program Forecasts centrally with other levels of management providing information for planning, primarily through continuous dialogue with headquarters.*

Content of Program Forecasts submissions

3.37 The defined procedures for preparing Program Forecasts give rise to detailed information not required by the Treasury Board Secretariat in allocating most resources. Conversely, Program Forecasts often lack information necessary for Treasury Board purposes and it must be obtained by direct inquiry. In particular, the objectives and costs of activities are often ill-defined, resulting in poorly-supported requests for resources.

3.38 Unnecessary detail now included in Program Forecasts could be eliminated by recognizing the fundamentally different nature of the various departments and agencies and by considering further the information truly required at the Program Forecast stage. A suitable degree of accuracy could be obtained through centrally prepared forecasts for certain relatively static and predictable programs. Additional information may be required for programs of a more fluid, volatile nature, but some types of information now required do not appear essential for any programs. For example, the breakdown of expenditures for some standard objects is prepared by some departments by simply pro-rating the New Year's forecast on the basis of the Current Year's objects. As a result the inclusion of this information could be misleading. Furthermore not all standard objects are required for review.

3.39 Detailed Program Forecast information requirements could be specified for each program. A reduction in detailed information requirements would tend to encourage departments to use the "top-down" approach. However, this will not be achieved without a more flexible attitude to changes between Program Forecasts and Main Estimates.

3.40 *Program Forecast information requirements should be studied to make certain that they contain only essential detail and specify requirements which recognize the fundamentally different natures of the various departments and agencies and the diversified programs they administer.*

Evaluation of continuing programs

3.41 As discussed previously, the A Budget element of the Program Forecast, except for the capital and grants and contributions portion, is prepared on an incremental basis. As a result, the major portions of continuing programs are not automatically subjected to a regular program review by departments, by Treasury Board, or by Cabinet, although there is some evidence that departments may perform reviews of programs as a means of freeing resources for higher priority items. Departmental, Treasury Board and Cabinet officials are not adequately aware of the detailed activities, costs and results of programs. Each year, review of the B Budget gets most attention, but specific items in the A Budget are identifiable only with the greatest of difficulty.

3.42 The Treasury Board often gives departments approval for B Budget items but does not approve additional funds for them. The Board advises departments to eliminate or to reduce a lower-priority activity in favour of a new one. This practice causes some review of continuing activities, but it does not appropriately consider the possibility that other departments and programs may contain still lower-priority items which ought to be discontinued.

3.43 Continuing programs and policies require improved evaluation to weed out the redundant, to improve the faulty and to ensure that they appropriately reflect the government's changing priorities. This involves a review of the basis for and the operation of the detailed activities, sub-activities, projects and processes carried on within programs and an assessment of the results attained relative to costs incurred.

3.44 Plans call for evaluation studies at Cabinet initiative in response to perceived problems or issues, or by Cabinet selection from a list assembled annually by the Privy Council Office and the Treasury Board Secretariat. This approach, which plans to include approximately five to 10 studies annually, focuses the analytical capabilities of departments and central agencies on areas identified by Cabinet as of particular concern. It appears that Cabinet evaluation studies will tend to concentrate on policy issues rather than on the detailed aspects of the implementation of policies and will be limited to programs of a relatively high policy significance.

3.45 In addition to the Cabinet evaluation studies, departments should justify, on a cyclical basis, all continuing programs and activities. This review, however, calls for much improved information on the various activities, their costs, and their results before a comprehensive zero-based review would be possible to identify marginal activities which normally would escape scrutiny in the type of review called for in the Cabinet studies.

3.46 *All programs should be reviewed in detail on a cyclical basis. Reviews should be conducted by departments, with appropriate central agency participation to provide an adequate basis for them to perform their resource allocating and budget monitoring responsibilities.*

Review of personnel requirements

3.47 It appears that many departments prepare Program Forecasts without any realistic assessment of the chances of filling new and vacant positions. Program Forecasts assume that the persons with the required skills will be available at established salary levels to fill the new positions. Experience shows this assumption to be faulty, and instead departments have funds available for other purposes, reducing the need for them to exercise close budgetary control. Personnel implications of departmental requests do not go to the Treasury Board's Personnel Policy Branch and the Public Service Commission until after budget levels have been established by the Cabinet. This denies them, and the personnel staff of departments, an opportunity to advise on unrealistic proposals. Procurement of personnel with the required skills at the required time is a significant factor in the success of most programs. It is critical to determine whether the required people are likely to be available before approving departmental spending forecasts. The recruiting function urgently needs as much lead time as possible. Before Treasury Board approves budgetary levels, department personnel divisions should review inputs to Program Forecasts, and the Personnel Policy Branch and the Public Service Commission should also review their personnel implications.

3.48 *Departmental personnel divisions should participate in the review of Program Forecasts. In addition, the Personnel Policy Branch of the Treasury Board Secretariat and the Public Service Commission should be consulted on the personnel implications of Program Forecasts before Treasury Board approval of budget levels.*

Quality of information in submissions

3.49 The Program Forecast and Estimates submissions suffer as a result of inadequate data. There are several major deficiencies.

3.50 Departments have defined program objectives and have identified activities within each program to meet the requirement to include them in Estimates submitted to Parliament. However, few departments can relate their costs or results to such objectives and activities in an accurate or useful manner.

3.51 Although the Treasury Board's Program Branch does suggest improvements in the presentation of departmental programs and activities from time to time, their development requires an intimate knowledge of a department's work and a thorough understanding of accounting and program budgeting practices. It would appear that Program Branch staff lacks the time and training to insist that departments develop proper cost-classification systems, and that departments may not be unhappy with a situation which

gives them the funds they need with minimal disclosure of the purposes for which they are to be used.

3.52 Program Forecasts are usually based on organizational costs or are prepared in such an approximate fashion that detailed assessment of costs in relation to operational results is rendered extremely difficult. Thus, there is little basis for questioning the efficiency or effectiveness of what is being done within each organizational unit.

3.53 Operational Performance Measurement Systems (OPMS) described in the next chapter, are being developed by the Treasury Board Planning Branch to remedy this deficiency. OPMS has been implemented in a number of programs with varying degrees of success. Information from applications of OPMS was provided in 1974-75 Program Forecasts in connection with approximately 45% of the total authorized man-years. However, in accepting such data, Treasury Board has not emphasized sufficiently the need for accuracy and validity. Nevertheless, performance measurement systems will unquestionably be useful for purposes of resource allocation.

3.54 There are inadequacies in the other data submitted in Program Forecast and Estimates submissions. With the exception of major expenditures on capital and on grants and contributions, all A Budgets included in the Program Forecasts use the Current Year Main Estimates as the starting point with a number of factors added on to arrive at the New Year budget. Departments are not required to justify the continuing content of A Budgets, and in fact, very few programs have information available which would permit such justifications. There is little systematic analysis by the Treasury Board Secretariat of continuing activities, a basic assumption appearing to be that funds once granted are available to program management to reallocate as priorities dictate.

3.55 Treasury Board has a major role in resource allocation, but as outlined in the next chapter, it has no means of effectively checking program expenditures and results to ensure that funds are spent in general accordance with the plans for which they were granted. Actual expenditures are not reported or analysed on a detailed basis to determine the implications, if any, for future resource allocation.

3.56 Program forecasts are submitted to Treasury Board at the end of March for the year beginning 12 months later. To meet this deadline, many departments start Program Forecast preparation approximately 15 months before the New Year. Because of this timing, the latest full-year actual information available is for the third year preceding the New Year. Program Forecasts thus tend to ignore the correcting effects of actual experience in the Past Year. Program Forecasts, when submitted, present Past Year expenditures which are usually based on actual figures to December 31 plus a projection of expenditures to the end of the fiscal year. Departments traditionally tend to overstate the projected expenditures for the last three months of the year, often because of unfounded optimism that programs will go according to plan and because of reluctance to present projected lapses to the Treasury Board Secretariat due to a possible downward effect on New Year

appropriations. There appears to be little organized follow-up by the Treasury Board Secretariat to ensure the integrity of the Past Year expenditure projections supplied by departments. Since data on current expenditures are incomplete and expenditure projections are of questionable reliability, the Secretariat lacks adequate comparative information on which to make resource allocation decisions.

3.57 Requiring departments to project in Program Forecast the two years following the New Year is of questionable benefit since the majority make no serious attempt to prepare accurate forecasts. Projections appear to be prepared on an arbitrary, perfunctory basis and tend to understate the increases which may be required. There is no effective follow-up by the Treasury Board Secretariat to verify or monitor the accuracy of the forecasts and these are virtually ignored as a planning tool. More conscientious follow-up of forecasts by the Treasury Board Secretariat for the two years following the New Year would encourage departments to place more emphasis on the long-range planning function. This follow-up is essential if future year expenditure implications are to be adequately recognized before the government is committed to a new program.

3.58 The Program Forecast and Estimates Manual states that the lack of a deduction from expenditure budgets for productivity increases should compensate for the lack of provision in budgets for general price and wage increases. Because of high rates of inflation in the past few years, this policy represents a significant and arbitrary reduction in the budgets of all programs and thus ignores basic differences in the amounts of leeway in budgets of various programs, the varying natures of programs, the varying effects of inflation, and the available scope for productivity increases. This approach appears to encourage program managers to overstate other budget requirements in order to obtain excess funds to cover inflation. It is also more difficult to absorb by better managed programs since they have less opportunities for productivity improvement.

3.59 It is appreciated that considerations not related to the resource allocation process dictate a conservative approach to forecasting the impact of inflation on wage rates. In addition, the Treasury Board contingencies vote is available to departments to meet shortages resulting from salary revisions in excess of those built into Program Forecasts and Main Estimates.

3.60 Departments may reflect announced price increases in Program Forecasts and Main Estimates. However, since departments make their own calculations, budgetary submissions incorporate different percentage increases for similar types of purchases. The Program Branch examines departmental support for the various percentages, but departments often lack the time, expertise or reliable historical data to calculate accurately the increases for individual types of expenditure. Research into announced price increases should be performed centrally, and departments should be advised of percentages to be incorporated in Program Forecasts and Main Estimates.

3.61 For a number of departments, year-to-year fluctuations in inventory levels could substantially affect the appropriations for any one year. Such fluctuations do not normally come to the attention of the Program Branch during the resource allocation process, because the detail to support Program Forecast and Estimates submissions does not require inventories to be disclosed separately.

3.62 Some changes appear to be appropriate in one other area. In the last five years large numbers of capital projects have exceeded the original appropriations by amounts well in excess of those due to inflation. Once a project begins the government has a definite commitment to complete it, usually without regard to the eventual cost. The capital part of the Estimates represents a significant portion of total expenditures. It is therefore critical that realistic cost estimates be available during the resource allocation process to ensure that funds are allocated on the most desirable basis. Some projects might not have been started if the actual costs had been known during the approval process.

3.63 All these deficiencies indicate a need to improve the quality of data used in the resource allocation process. The Treasury Board Secretariat has not given these matters the attention they deserve. If effective action is to be taken some new thrust must be developed and sustained.

3.64 *Action needs to be taken to improve the quality of the data contained in Program Forecast and Estimates submissions by:*

- *reassessing the suitability of the present structure of departmental programs and activities;*
- *promoting the use of procedures to extend the capability of financial systems to measure performance;*
- *reviewing in greater detail data submitted by departments;*
- *following up on actual expenditures as a means of assessing the quality of budgetary data;*
- *establishing centrally the basis of amounts included to cover inflation;*
- *reviewing the effect of changes in inventory levels; and*
- *following up on future-year projections included in Program Forecasts.*

Communication of procedures and decisions

3.65 The Program Forecast and Estimates Manual, the Budgetary Circulars, the Planning Programming Budgeting Guide, and the Operational Performance Measurement Systems Manual, all prepared and circulated by the Treasury Board Secretariat, contain instructions on the preparation of Program Forecasts. The Treasury Board Guide on Financial Administration also gives guidance on various aspects of the budgetary process. The Treasury Board Submissions Manual covers the general nature and format of submissions to the Treasury Board Secretariat. Within many departments, these manuals and other

instructions are replaced by departmental budgeting manuals which vary considerably in quality.

3.66 The documents which communicate the budgetary process to departments present a fragmented picture of the various rules and philosophies. The Program Forecast and Estimates Manual states that the principles of the budgetary system to which the Program Forecast and Estimates submissions relate are described in the Treasury Board Planning Programming Budgeting (PPB) Guide. The PPB Guide, originally printed in 1969, has not been brought up to date since and is now out of print with no decision on whether to reprint it. Four separate budget circulars contain detailed budgetary procedures dealing with specific topics such as capital expenditures. The Treasury Board Guide on Financial Administration contains useful information, not included in the Program Forecast and Estimates Manual, concerning the methodology for the preparation of budgets. In addition, the Operational Performance Measurement System Manual contains details of the role of OPMS in resource allocation. The overlapping and interrelationships between these various documents have caused confusion within departments.

3.67 To clarify the system and procedures, appropriate sections of the current manuals should be combined in a comprehensive resource allocation manual. The comprehensive manual should include the present Program Forecast and Estimates Manual, the contents of the four budget circulars, and an up-to-date version of the conceptual material contained in the PPB Guide and in the other specialized guides and manuals.

3.68 The Treasury Board Submissions Manual discusses the general nature and format of the various types of submissions to Treasury Board, other than the Program Forecasts, Main Estimates and Supplementary Estimates. Many of the submissions involve substantial amounts of resources and must be processed by the Secretariat or the Cabinet, or both of them, with considerable haste. It is therefore critical that submissions be properly presented and contain sufficient information to permit timely decisions. The Submissions Manual is badly out of date. References to such items as the Comptroller of the Treasury, a function discontinued in 1969, tend to reduce its credibility and usefulness and may have a detrimental effect on departmental attitudes to submissions. An updated version of the Manual has been in draft form for approximately two years. Every effort should be made to issue it as soon as possible.

3.69 Letters to departments in August informing them of the budgetary levels established by Cabinet contain only the approved levels and do not attempt to explain the differences between the resources requested and those authorized. Departments may ask program analysts for details of the areas within programs in which requested resources have been refused. The Treasury Board Secretariat does not comment in writing concerning the nature and quality of the information contained in Program Forecasts nor does it offer suggestions for eliminating the deficiencies in future years.

3.70 The quality of the information and the presentation of Program Forecasts

varies from department to department. Deficiencies tend to appear year after year in the submissions for particular programs and any improvements are usually initiated by departmental staff. The Program Branch is obviously in a unique position to evaluate the quality of the Program Forecasts. Indeed, it has a vested interest in attempting to improve the quality of submissions, the adequacy of defined activities, the provision of OPMS information and the department's general approach to budget preparation.

3.71 *A comprehensive resource allocation manual should be prepared containing a consolidated, updated version of appropriate sections of Treasury Board manuals, guides and circulars which deal with the resource allocation process. These should be supplemented by annual letters to each department suggesting improvements in the quality, content and presentation of the past year's submissions. Departments should formally reply stating plans for improvement.*

Program analysts

3.72 At present, there is significant turnover among program analysts within the Program Branch of the Treasury Board Secretariat. The Branch's approximately 45 program analysts have average experience of roughly 25 months. If the six longest-service analysts are disregarded, the average drops to 18 months, which therefore includes only one complete budgetary cycle.

3.73 The present high turnover of program analysts apparently results from a number of factors. One is the change in approach from the pre-Glassco period when persons were introduced into the Program Branch at a more junior level and were encouraged to develop medium to long-term specialized careers within it. Now individuals of demonstrated ability are engaged by the Secretariat, usually for an agreed period of three years, recognizing that they will eventually move to operating departments. Unfortunately many program analysts are leaving the Board before this period has ended.

3.74 The turnover rate creates a significant problem. Resource allocation is a complex and important facet of governmental financial administration. Because of this complexity and their own lack of familiarity with the departments being analysed, program analysts cannot be fully effective in their first budgetary cycle within the Program Branch. Program Branch group chiefs and directors provide some safeguards, but many group chiefs have not had experience as program analysts. During their second and third budget cycles effectiveness of analysts generally improves significantly.

3.75 *The Treasury Board Secretariat should study the reasons for the high rate of turnover of program analysts and take steps to remedy the problem.*

Documentation of procedures

3.76 The effect of the staff turnover has been made worse by a lack of adequate initial training and of standard procedures with regard to methods of assessing submissions. The Program Branch now is developing a more comprehensive training program for new

program analysts. The nature of the review task and the wide variety of departments call for considerable flexibility yet standard operational check lists are needed to ensure reasonable uniform quality and approach. In addition, defined standards for documentation of procedures and the basis of decisions would help new analysts adapt more quickly to their duties.

3.77 *The Program Branch ought to develop standard internal checklists, questionnaires and methods for documentation of decisions.*

Training in procedures

3.78 People involved in resource allocation within departments now are not required to participate in any training programs. Aspects of the process are included in various general courses offered by the Public Service Commission and in departmental training sessions. However, many involved in the process receive no formal training on either concepts or detailed procedures. For example, Treasury Board analysts rarely attend such courses.

3.79 No training course is available centrally covering the resource allocation process in depth. Such a course should be developed and should be compulsory for those primarily concerned with the budgetary function in each department and central agency. People attending this course should be responsible for training any others within their departments who are involved in the process to any significant degree. There appears now to be widespread misunderstanding of some of the basic principles of the resource allocation process, and a well-prepared, intensive course could be instrumental in significantly improving departmental contributions.

3.80 *An intensive training course covering all appropriate sections of the resource allocation process should be developed and made compulsory for all officials primarily involved with the planning and budgeting functions in each department and agency.*

NON-TAX REVENUES

3.81 Where applicable, Program Forecast submissions contain a revenue summary, for each program and for each activity listing under separate headings revenues credited to the vote and revenues credited to the Consolidated Revenue Fund. Within these, major revenue sources are disclosed. Forecasts of revenue from taxation are made separately by the Department of Finance.

3.82 Treasury Board issued in 1966 a Management Improvement Policy circular stressing responsibility of departments for revenue from services to the public and providing a brief description of the criteria for determining charges. Changes in the Financial Administration Act in 1969 empowered the Governor in Council to prescribe fees or charges for services on the recommendation of Treasury Board and to delegate that authority to the appropriate Minister. Since 1969 many departments sought to introduce or increase fees and charges for services to the public and a substantial number were deferred for a variety of reasons.

3.83 Government actions to facilitate the review and revision of revenue rates have not been fully effective because departments refer to their previous experience as a justification for failing to conduct regular reviews to see whether increases or reductions are justified.

3.84 The public receives numerous services for which charges are made or for which it may be appropriate to recover part or all of the costs. Departments collected non-tax revenues in the order of \$300 million in the 1974-75 fiscal year, which is derived from postal services, licences, permits, privileges and other services. Substantial amounts are involved and the potential for further revenues fairly chargeable to the recipients of specific services may be significant.

3.85 Primary responsibility for assessing revenue policies and identifying any need for changes lies at the departmental level. The Financial Administration Act permits but does not require a Treasury Board review of these policies on a regular basis. Revenue estimates are included in annual Program Forecast submissions to Treasury Board, but there is no review of the policies giving rise to these revenues.

3.86 *Departments should be required to assess services to the public annually within guidelines given to them by Treasury Board and to submit recommendations for continuing revenue policies or for increasing or reducing fees charged because of changes in the services offered or in the cost of providing them. Treasury Board should in turn be required to submit annual recommendations on revenue policies to the Governor in Council for consideration under the provisions of Section 13 of the Financial Administration Act.*

IV BUDGETARY CONTROL

4.1 Budgetary control can take a variety of forms. The simplest and most basic is to record expenditures in relation to approved appropriations and allotments to ensure that they are not exceeded. This form, for which there is a statutory requirement, is designed only to ensure that expenditure limits are respected. It makes no provision for ensuring that desired results are obtained.

4.2 A more effective approach compares actual expenditures to a predetermined plan so departures may be spotted for investigation. This is achieved through a system of financial reporting that compares actual expenditures with planned expenditures, with variances being explained on an exception basis. Such systems are more useful if they include data on planned and actual operational results to which expenditures may be related.

4.3 Budgetary control systems are essential for departmental management. The government as a whole also needs some means of assurance that spending limits are respected and that resources allocated are attaining the desired results. This can be achieved in two ways: first, by ensuring that departmental systems are adequate for this purpose; and second, by monitoring the information provided by such systems to ensure that its significance is fully appreciated and is reported to those responsible for taking corrective action.

4.4 These subjects are discussed under the following headings:

- Cash control systems
- Control through periodic financial reporting
- Central budgetary control

CASH CONTROL SYSTEMS

4.5 The Financial Administration Act requires departments to maintain various records for budgetary control and reporting purposes. These include appropriation, allotment and commitment records.

4.6 The requirement for appropriation control begins as soon as the authority for expenditures is released to departments. Section 21 requires departments to maintain cash control records to ensure that payments do not exceed approved appropriation levels. This is further reinforced by Section 26(3), which requires a person approving an account for payment to ensure that it will not result in expenditures exceeding appropriation levels or in balances insufficient to honour outstanding commitments.

4.7 Section 24 requires appropriations to be divided into such allotments as Treasury Board may require and departments to maintain records and control systems to ensure that these are not exceeded.

4.8 Departments are also required to maintain a record of undischarged commitments. Section 25 requires that commitment records be maintained in order to have an accurate record of free balances available for additional commitments.

4.9 In addition to the requirements of the Act, the Treasury Board Guide on Financial Administration contains three directives which state:

“Control accounts shall be maintained, on behalf of the deputy head, by financial officers or by other officers with payment authority for each appropriation and for each allotment prescribed by Treasury Board, whether departments are operating under full or interim supply appropriations or special Governor General’s warrants, so that expenditures in relation to these limits can be determined at any time.

“Where payment authority is delegated to officers in decentralized locations, allotments shall be divided into sub-allotments for each such officer, and control accounts shall be maintained for each sub-allotment so that officers requisitioning payments are able to control requisitions in relation to the undischarged commitments and free balances in their sub-allotments.

“To comply with the statutory requirement to keep records of commitments and to certify the availability of funds before entering into commitments, departments shall:

- “- for administration, operation and maintenance expenditures, retain for each responsibility centre copies of all documents recording undischarged commitments and report the total of all such items for inclusion in periodic budgetary control reports; and
- “- for capital, and grants and contributions expenditures and for multi-year expenditures, maintain a continuing record of individual commitments by fiscal year.”

These directives for the most part re-emphasize departmental control systems required by the Act. In addition, there are three guidelines which state:

“Because annual appropriations are for services coming in course of payment during the fiscal year, departments should ensure that payments are requisitioned and processed promptly so that all accounts are paid in the fiscal year in which goods or services are supplied and in which funds are provided.

“Cash forecasts which recognize the impact of operational and seasonal factors on cash flow should be prepared periodically in each department; a simple extrapolation of the current or prior year’s disbursements will seldom provide a sufficiently accurate cash forecast.

“Separate financial reports, which provide information on disbursements, undischarged commitments and free balances by appropriation, allotment and sub-allotment, should be provided to financial officers and other officers with payment authority to enable them on behalf of the deputy head to control cash flow in relation to limits imposed by annual and other appropriations and by allotment.”

Use of allotments

4.10 Departments generally are maintaining adequate records of appropriations and allotments. In recent years, standard Treasury Board allotments were established for grants and contributions, salary adjustment reserves, operating costs, and capital items. Commencing April 1, 1975, salary funds have been placed in separate allotments. There are other situations where separate allotments should be created. Examples were observed where departments forecast expenditures for a specific purpose for the year based on the average amount required over the preceding years. Where these allotments are insufficient

for this purpose, departments request additional resources through Supplementary Estimates. Where the actual costs are less than the estimates, they tend to use the balance for other purposes.

4.11 The purpose of subdividing appropriations into allotments is to ensure that departments do not use funds intended for a specific purpose for other matters. Too many allotments within appropriations would be overly restrictive to departments in conducting day-to-day operations. Nevertheless, it would appear that the statutory provision which is available to Treasury Board is now too little used to guard against departments covering up operating inefficiencies by using funds for different purposes than originally intended.

4.12 *Treasury Board should give more consideration to establishing separate allotments where significant amounts of funds are provided for purposes that are discretionary and therefore controllable by management.*

Need for Commitment Accounting

4.13 To exercise even a minimum level of control, departments should record transactions promptly in relation to appropriations and allotments to ensure they are not exceeded. Although this provides little control within the year and does not measure amounts spent in relation to planned results, it ensures that ceilings are not exceeded.

4.14 Cash forecasting adds a further degree of control over appropriations and allotments by estimating excesses or lapses at the end of the year. Essentially, cash forecasting involves projecting cash requirements based on experience to date so that comparisons can be made with appropriations to determine whether a shortfall or overrun for the year is anticipated. This can be done by combining projections of individual managers with budgetary responsibility or by analysing trends of the current and prior year. It is prudent for departments to make both of these projections so that differences may be examined further. This helps a department to control cash during the year, but it provides no assurance that the money is spent for the purposes for which it was appropriated.

4.15 Departments can improve control over appropriations and allotments by recording commitments and by earmarking funds to discharge them, thereby identifying free balances left before entering into additional commitments. Although this procedure helps to ensure that appropriations and allotments are not exceeded, it provides neither budgetary control during the year, nor assurance that the spending was for the purposes intended.

4.16 Legally all departments are required to maintain detailed commitment records throughout the year, but many departments do not feel that this is necessary as they have not exceeded their appropriations in the past and are unlikely to do so in future. Other departments feel that other types of controls, such as through operating budgets and financial reports, make them aware of any danger of exceeding appropriations in time to

take corrective action. Also, they feel that recording of commitments to ensure that appropriations are not exceeded is generally not required until near the end of the fiscal year when departments may be approaching their annual spending ceilings.

4.17 *Departments with appropriate systems of budgetary control and financial reporting should be required to record commitments only as necessary towards the end of the year.*

CONTROL THROUGH PERIODIC FINANCIAL REPORTING

4.18 The Guide on Financial Administration has two important guidelines associated with control of operating budgets and financial reporting, which state:

“Each responsibility centre manager should control the utilization of the resources in his budget through a system whereby:

- “- costs by activity elements and reporting objects are budgeted by period in relation to planned output;
- “- actual costs and outputs are reported by period; and
- “- variances between budgeted and actual costs in relation to outputs are analysed with a view to corrective action.

“Financial management reports, which periodically relate actual and planned costs to outputs, should be prepared for responsibility centre managers, for their supervisors and for staff advisers responsible for activities to provide them with the information required to control costs in relation to outputs.”

These emphasize the need for the budgeting by results anticipated from each organizational unit with these being forecast in turn by reporting periods. Prompt reporting of actual costs and results by the same time periods permits variances to be analysed with a view to corrective action.

4.19 Activity structures of most departments are not well defined for purposes of budgetary control and financial reporting. In many, activities are defined so that they represent the costs of organizational units within the department. In others, headings are used to indicate the purpose or nature of the operations being provided for, but the amounts are only broad approximations of costs. Most departments do not appear to have made much effort to determine the costs of the various services or products for which they are responsible. Where individual operations, services or projects are planned and costed for managerial purposes, often the information does not become an integral part of the budgetary control and financial reporting system of the department.

4.20 It is possible to have a good system of budgetary control and financial reporting on a variance basis only when the basic building blocks of the budget are identified properly and costs and results are accumulated so as to disclose the relationship between money expended and value produced. If cost elements are properly identified, data can be accumulated to justify organizational budgets and to provide a useful basis for compiling costs in a significant manner. Costs are particularly useful when the same process

is carried on in a number of organizational units as it permits the performance of responsibility centres to be compared.

4.21 If an employee is involved in more than one activity, it is necessary to have some means of accurately estimating time spent on each so as to distribute costs correctly. Without accurate analysis of such costs, comparisons and aggregations of cost data become meaningless where labour is a significant cost component.

Budgetary Data Used

4.22 Most departmental budgetary control and financial reporting systems are unsatisfactory because detailed operating budgets prepared by many departments are frequently unrealistic. Many departments prepare operating budgets as part of the Program Forecast or Main Estimates processes, each of which is too far in advance of the beginning of the fiscal year to provide a good basis for subsequent control. Many managers begin the fiscal year with detailed budgets based on totals either in the Main Estimates submission prepared five to six months earlier or in the Program Forecasts prepared up to 15 months earlier. Budgets may not reflect reductions made in submissions. If they do, only the totals are arbitrarily reduced and specific reductions are not identified. Moreover, detailed budgets may not reflect changes in prices, economic conditions, operating plans or the availability of staff since the original amounts were approved. The problems of comparison are made more difficult since many departments have over recent years developed reserves within their budgets applicable to unfilled positions. As a result, many operating budgets are excessive. There are few organizational units without one or more unfilled positions and these funds provide a hedge against deficiencies in budgeting for other types of expenditure. Thus, it is not surprising that in the past some departments have been able to operate with inadequate budgetary control systems.

4.23 For operating budgets to be effective, the detailed budgets should always be a realistic month-by-month estimate of anticipated costs and performance against which managers can be held accountable. Where plans change after preparing the detailed operating budgets it is appropriate to amend them as long as controls are maintained to ensure that in aggregate they do not exceed given allotments. Budget amendments should go through the same process as the original budgets to ensure that changes are approved at the appropriate level of authority. Any changes to the detailed operating budgets of managers should be discussed with them. For example, it may be appropriate to:

- delete from detailed operating budgets costs and performance data related to unfilled positions until these are filled;
- review detailed operating budgets and possibly adjust them for significant price increases occurring following their preparation to ensure that the budgets reflect current costs and that managers are held accountable only for deviations within their control; and

- introduce flexible budgeting techniques for internal management purposes where costs vary in accordance with a required volume and level of service.

Impact of cash basis of reporting

4.24 Most departments prepare operating budgets on a cash, not on a cost, basis. This gives them flexibility in managing year-end payments and in building up or depleting inventories so they are not dependent on proper budgetary control systems. Many departments with monthly operating budgets merely pro-rate over 12 months the cash they expect to spend instead of budgeting it by months, and they manage their cash payments at the year-end to use up excess funds on assets that otherwise might not have been acquired, or delay payments to avoid overspending their appropriations.

4.25 Cash-based budgets inevitably lead to major differences between actual and budget data attributable to delays in initiating and processing payrolls, payroll adjustments and travel claims, and in receipt of invoices. These timing differences can become significant in any comparison between budgeted and actual costs. In addition, cash disbursement information for an accounting period may not bear any relationship to the sort of information that discloses the performance of a manager. Where departments merely pro-rate in equal instalments the cash they expect to spend rather than basing it on liabilities incurred in each month, it is difficult to monitor a subordinate's performance by what he has accomplished as compared to costs incurred.

4.26 A more effective approach to budgetary control requires an appropriate matching of budgeted and actual costs to budgeted and actual results. This requires action to reduce timing deficiencies inherent in cash accounting, and to facilitate the identification and allocation of costs within organizational units. Departments should have systems with the facility to produce accurate costs. Departmental systems are not now capable of satisfying those managers who want effective means of budgetary control through financial reporting.

4.27 For managers to be responsible for variances between actual results and the plan, the variances must be capable of analysis in relation to data measuring results so as to reveal the effect of changes: in volume of output, in quantity of resources used, and in prices of such resources.

4.28 Not all departments require the same system of budgetary control and financial reporting. For some departments, the instructions in the Treasury Board Guide on Financial Administration should be mandatory and action should be taken immediately to improve their systems; other departments can function with simpler forms of managerial control. For example, in departments where results are intangible and cannot easily be measured, and where expenditures are largely for a fixed payroll, it may suffice to control cash expenses by appropriation and allotment, coupled with periodic cash forecasts. Most departments, however, require a budgetary control system permitting costs to be compared

with information measuring operational performance so that variances can be analysed with a view to corrective action.

4.29 *Departmental budgetary control and reporting systems need as a minimum:*

- *properly defined cost components and cost information so managers can be held accountable for performance;*
- *detailed budgets by time period in accordance with the assignment of managerial responsibility;*
- *consistency between budgeting and accounting;*
- *timely preparation and distribution of periodic financial reports; and*
- *analysis of variances between planned and actual results.*

Use of non-financial data

4.30 In the private sector, performance is measured directly or indirectly by comparing revenues and expenditures. Measurement of performance is just as important in the public sector but different systems have to be developed to offset the absence of the competitive market place for measuring the value of goods and services produced.

4.31 The Planning Branch of the Treasury Board Secretariat was given responsibility in 1970 for developing a system through which departmental management, Treasury Board and Cabinet could evaluate the effectiveness and efficiency of programs. The primary benefit was to be improved rationale for allocating resources, but it was felt that managerial performance would also be more visible. In January, 1974, the Planning Branch issued a booklet on evaluating operational performance in terms of efficiency and effectiveness titled Operational Performance Measurement Systems (OPMS). OPMS measures operational efficiency by determining the ratio of operational outputs to inputs or costs used in their production. It requires that data be gathered for a base year and that all future years be compared to it.

4.32 Most departments do not now systematically measure performance. Where performance data are gathered, much unit-cost information is not reliable. Managers in some departments have made a sincere effort to accumulate meaningful operational data. However, the data are not integrated with departmental financial systems. In other departments, efforts to implement OPMS have been superficial, lacking the priority necessary for effective action.

4.33 In holding managers responsible for their actions, it is fundamental that a system to measure their performance be developed. Such a system should be capable of reporting results as well as costs. Wherever possible, this should be quantitative data measuring outputs, but qualitative data measuring progress towards assigned objectives can also be useful.

4.34 By comparing the data for all future years to that gathered for the base year, the OPMS system penalizes departments that already have an acceptable level of performance since it leaves them little room for improvement. It would be better to use performance indicators derived from previous years but recognizing that circumstances change and allowing for targets based on a challenging, yet attainable, level of performance. As well, cost information should be derived from the departmental financial reporting system to ensure that costs are reliable. By integrating reporting of results and of costs, it should be possible to reduce the variety of reports which burden managers, and which lead to conflicting data. A good system for measuring performance would require that each department budget its results and its costs and compare them with actual results through an integrated financial reporting system.

4.35 *Performance indicators are needed as an integral part of departmental budgetary control and financial reporting systems in all areas that can be effectively measured.*

Central approval of systems

4.36 The Treasury Board Guide on Financial Administration provides general instructions to departments to help them implement more sophisticated systems of financial control. Most departments, however, have not designed or implemented good systems of budgetary control and financial reporting, often due to a lack of concern related to the attitude that funds are readily available. This attitude combined with the lack of an effective central review has resulted in the poor financial systems most departments have today.

4.37 Instructions concerning budgetary control in the Treasury Board Guide on Financial Administration should be mandatory in most cases. In addition, a central agency should review each department's system of budgetary control and financial reporting with a view to approving the systems that are sound or to withholding approval until corrective action is taken.

4.38 *A central agency should approve and periodically reassess departmental budgetary control and financial reporting systems to ensure their adequacy for purposes of satisfying the needs of Parliament and of the government, as well as of departments.*

CENTRAL BUDGETARY CONTROL

4.39 The Treasury Board Secretariat receives two financial reports monthly from the Department, of Supply and Services. The first, Summary of Travel — Public Servants, goes to the Administrative Policy Branch as an indicator of costs incurred under the Board's travel and relocation policies. The second, Listing of Imprest Accounts and Standing Advances, goes to the Financial Administration Division of the same Branch for monitoring levels of departmental working capital advances in relation to those authorized. These reports relate to monitoring specific types of expenditures and are not useful in central monitoring of the aggregate expenditures of departments in relation to approved Estimates.

4.40 The Program Branch receives a copy of monthly Cash Forecast Briefing Books prepared by the Department of Finance. These books show for each major program actual expenditure by months to date and forecast expenditures by months to the end of the fiscal year. The Department of Finance prepares them as part of its task of determining short and mid-term cash requirements. The Department of Supply and Services supplies actual expenditures to date. Departments submit directly to the Department of Finance forecasts of expenditures to the end of the year. These are adjusted to take into account Finance's own projections based on past experience, and on current and future economic factors. If departments fail to submit monthly operating cash forecasts the Department of Finance uses the preceding month's forecast or its own forecast to prepare the Cash Forecast Briefing Book. This report does not appear to be used by the Treasury Board Secretariat to monitor or to report on departmental spending.

4.41 In addition, the Program Branch receives a quarterly report on the utilization of man-years and a forecast by quarters for the balance of the year.

4.42 Functions of the Program Branch, as outlined by the Treasury Board Secretariat, include the responsibility to "review approved programs to ensure effective expenditure management including the monitoring of expenditures against authorized allotments; the utilization of authorized man-years; the organization and management of allocated resources; and the program results achieved in accordance with implementation plans". These evaluation tasks are vital under any system of budgeting, but the Program Branch has no formal system, other than the quarterly manpower reports, for carrying out this responsibility. It gets low priority; efforts to monitor utilization of allocated resources are sparse and ad hoc.

4.43 Treasury Board has not assumed its statutory responsibility for the general monitoring of the expenditures of departments. Thus, extensive authority is delegated to deputy heads without any effective central means to make them accountable for their actions. Effective central monitoring of departmental expenditures would be difficult to achieve within the Program Branch as it is now organized. The Program Branch is a compact unit intentionally kept small to ensure flexibility and effective internal communication and it must respond to the pressure of constant deadlines. A detailed monitoring function is not consistent with the present qualifications and training of the Program Branch's staff.

4.44 Not only should individual departments exercise effective control over funds appropriated to them by Parliament, but the government as a whole should exercise control over its planned and actual expenditures. Some form of government-wide budgetary control and financial reporting is necessary to do so.

4.45 Some central agency should be responsible for detailed monitoring of departmental expenditures in relation to information supporting their approved Estimates. The

agency should require certain standard financial information from each department, supplemented by copies of financial reports each department gives its own deputy head. Significant variances between actual and planned results should be further investigated. So they can interpret the significance of the financial information with which they are provided the agency staff should become familiar with the detailed operating budgets and operations of the departments. This information would be prepared monthly to inform Treasury Board of anticipated variances, thereby facilitating any corrective action deemed necessary.

4.46 *A monthly report, based on analysis of departmental budgets and expenditures and variances between them, should be prepared so that Treasury Board can take action to control overspending or to freeze excessive resources.*

V ACCOUNTING SYSTEMS

5.1 The federal government has two major systems for central processing of financial information — the general accounting system and the payroll system of the Department of Supply and Services (DSS). Although integrated from the standpoint of the accounts in which expenditure information is ultimately recorded, the two systems are independent and therefore are treated separately in this chapter.

GENERAL ACCOUNTING SYSTEM OF DSS

5.2 Legislation that created the Department of Supply and Services enables it to provide common services in support of departmental and agency activities, including those related to accounting, cash management and data processing. Statutory responsibility for maintaining the central accounts of Canada is assigned to the Receiver General for Canada. Because the Minister of Supply and Services is also the Receiver General, DSS has two mandates to satisfy from its accounting systems.

Description of system

5.3 The processing of accounting information and the production of financial reports from the data within the central accounting system starts with a deposit of cash or with the preparation of a cheque in any of the various district, regional or National Capital offices of DSS where the cash transaction is recorded. Departments and agencies forward accounting source data in batches to DSS service offices at various times during the month. Batches may include requests for cheque issue, evidence of receipt of funds, corrections or adjustments to existing information, or non-financial data of a statistical nature. Data from the batched material are then encoded, generally on magnetic tape, for transmission to the central data processing centre in Ottawa. If the material includes requests for payments, cheques are prepared by the local service offices.

5.4 The source material prepared by departments, wherever applicable, identifies transactions in relation to the appropriations granted by Parliament. In addition, they are classified relative to allotments specified by Treasury Board, such cost accounts as departments specify for their information purposes, and such other accounts as are specified in order to provide data to central agencies. Computers make this capture of data for multiple distribution not only practicable but economic. However, the system, although modernized to some extent from the original concept developed in the late 1950's, or early 1960's, retains many procedures and methods of that era of mixed mechanical and electronic processing.

5.5 DSS provides three types of financial statements to departments:

- Cash statements in summary form, supported by detailed transaction listings, identify expenditures, receipts and adjustments. More than 2,400 of this type are produced monthly by DSS for client departments and agencies.

- Management and management support statements, designed within the limitations of the central system but in accordance with departmental and agency specifications, provide details and summaries of receipts and expenditures for the accounting period and year to date by areas of responsibility. These statements often compare actual data with budgeted amounts and may also show commitments, accruals and statistical data separately or by modification of the cash data. Some 2,000 statements of this type are produced at month-end.
- A system known by the acronym CAIS (Central Agency Information System) produces reports for the Government of Canada as a whole. CAIS is designed to provide financial information to central agencies, such as the Department of Finance, Statistics Canada and the Bank of Canada, with the Receiver General a major user. The system, which operates by extracting data derived from departmental accounts, produces:
 - a series of general ledger statements which are the source of the monthly Gazette statements and some of the data in Volume I of the Public Accounts,
 - a variety of cash transaction listings and expenditure statements for cash management and statistical purposes.

5.6 Although the foregoing description of the accounting system prevails for most departments and agencies, some departments have made special arrangements. For example, for security considerations and special information requirements, the Department of National Defence and the Royal Canadian Mounted Police have DSS cheque-issuing offices at their headquarters locations. However, management reports, for the most part, are produced at the headquarters locations of these departments rather than through the main computer operated by DSS. Information of a standard nature, which must be included in the central accounts, is retained on machine-readable copy for transmission to the central computer centre.

Relationship to separate departmental systems

5.7 A number of departments have sought ways of improving timeliness and accuracy of the information provided to their managers. Of the departments reviewed about 70% have implemented or are developing separate reporting systems to meet all, or a portion of, their own needs. In many cases this practice requires them to duplicate the source documentation provided to DSS and to process this data on departmental or outside service bureau computers. DSS continues its own processing procedures and unless advised to the contrary, submits reports to the department. Departments then reconcile the accounting transactions processed on their own computers with those processed by DSS. Some departments with separate reporting systems neglect to reconcile their recorded cash transactions with those of DSS and thus errors in the allocation of accounting entries can occur and remain undetected in one or both systems for a period of time.

5.8 Sources of discrepancies between information in departmental systems and the central DSS system are:

- departments record salary costs from the same paylists as DSS, but the DSS paylists are not controlled in such a way as to ensure that the same pay entries are made to both systems;
- departments often correct coding errors in source data in the same accounting period as they occur, whereas DSS rejects transactions if corrections are not received in time and lists them as invalid items for correction and recording in a subsequent accounting period; and
- the DSS system usually includes all journal entries prepared outside the department, and the departmental system records all internally prepared entries, but the contrary is not always true.

Limitations of central system

5.9 The stated objectives of the central system are “to provide both central and departmental group management with quantifiable financial, personnel and operational management information”. Thus, the system is designed to provide:

- revenue data, including amounts properly offset against expenditure;
- expenditure analysis by vote, program, activity, object and responsibility, with budget comparisons;
- cost analyses, statistical information, performance measurement and manpower data;
- control information on assets and liabilities for use by central agencies and departments; and
- flexibility to incorporate allotment, commitment and other budgetary controls.

5.10 While these objectives reflect sound financial management practices, they are not being achieved because of a number of factors. For example:

- Liaison between departments and DSS needs to be strengthened because:
 - liaison officers often do not remain in DSS long enough to obtain the required understanding of the capabilities of the financial reporting system and as a result some client departments are not utilizing the system to their best advantage;
 - there has been a tendency to effect changes requested in systems providing reports to departments and agencies without adequate testing, causing delays, unwarranted costs and dissatisfaction with the DSS system by client departments;

- apart from the instructions in the Users Guide for preparing data input to the financial reporting system, an outline of the capability of the system is not available to assist liaison officers and departments in obtaining a better understanding of the system. Although elements of the financial reporting system have been put in written form for explanatory purposes, the system should be documented and assembled into an easily understood package;
- requests from client departments for special reports have not been effectively evaluated as to costs and benefits. As a result, in some instances, changes have been implemented without much economic justification;
- The system does not provide management information readily because it is not designed to summarize key financial data, other than at the end of the accounting period. In addition, the increase in the volume of accounting transactions has effected report distribution to a point where some managers now do not receive their reports until between the 15th and the 20th of the following month even though the transactions recorded on the statements have been cut off between the last and eighth last working day of the previous month.
- Report distribution to departments and agencies is awkward. DSS offers a direct mailing service from the computer centre, but only 12 departments use it. A possible shortage of DSS resources may have precluded greater utilization. Statements for remaining departments and agencies are shipped in bulk to locations in Ottawa for distribution by them within Ottawa and to the field. This intermediate step can delay distribution of statements to managers by as much as two weeks.
- Input requirements have not been sufficiently standardized; some of the resulting problems are:
 - DSS has limited control over the frequency of departmental input. Most data are forwarded for processing close to the month-end, thus contributing to a processing peak, and delays in statement production;
 - the coding block used to identify departmental expenditures by program, vote, responsibility centre and type was standardized several years ago at 25 digits in length. There is, however, minimum standardization within the limits of the coding block. Consequently, departments and agencies use a variety of code lengths ranging from a low of four digits to the maximum of 25. The average length used by many departments appears to be 12 to 15 digits. Coding blocks of this length create a propensity for error and an unwarranted cost for correction; and
 - the lack of a standard coding block makes it difficult for DSS service office personnel to use computer routines to detect errors at source.
- Processing routines for feeding source data into and through the computer suffer from the following difficulties:

- transmission facilities are limited for transferring data between regional computers and the central computer. Consequently, each regional service office is allocated a time to transmit data, and the scheduling is controlled. The volume of data transmitted is so great that two-way transmission has been considered impracticable within the present capacity. With one-way transmission the facilities cannot be utilized to transmit error data back to regions for early correction; and
 - the computer file storage and maintenance system is basically sequential and therefore extensive random selection and analysis is impracticable. Although some daily and weekly processing files are maintained to reduce peak workloads at month-end, most data are kept in detailed form until statements are produced, which means that the information is summarized at one time.
- Reports produced by the system have the following identifiable deficiencies:
- departments and agencies invariably receive transaction listings of receipts, expenditures and adjustments, together with summaries of these data in accordance with predetermined specifications. The varying types of reports — labelled cash, management and management support statements — contain repetitive information. Rarely do the statements provide comprehensive financial data related to costs of services, projects or other operations. Moreover, comparisons with budget information in many instances are invalid because of the difficulty of ensuring that actual and budget costs cover the same financial period;
 - because of a variety of cut-off dates within the system, statements often contain transactions from at least two accounting periods. For example, expenditure data may be accumulated from the 24th of one month to the 23rd of the next month; payroll data may be cut off on the 26th; adjustments may relate to data that applies 40 to 60 days before the current period;
 - information vital to the preparation of the central accounts of Canada is the last of the data to be aggregated in the production cycle and is not available until the middle of the following month; and
 - Central Agencies Information System (CAIS) statements do not provide comparisons with the annual estimates nor much information on non-budgetary items.

5.11 DSS is aware of these problems, has studied the means to achieve improvement and has requested funds from Treasury Board to effect change. Alterations made to the DSS accounting system in the fiscal year ended on March 31, 1975, were not designed to satisfy many of the departmental concerns relative to achieving more accurate and timely information. The lack of resources necessary to correct existing deficiencies may have handicapped DSS efforts to implement major improvements.

5.12 The system has some flexibility and can provide managers and central agencies with information on budgets, costs and performance measures, as well as cash data but these capabilities are not being used extensively or effectively. They are overshadowed

by the dissatisfaction voiced by client departments and agencies about accuracy and timeliness. If financial management is to be improved, then managers must have the financial information they require to monitor and to be monitored, so that they can prepare alternative action programs to meet their activity or program objectives within budget.

5.13 Because departments do not get this information on an accurate or timely basis, many have implemented supplementary systems. This duplication of effort is costly, inasmuch as departments, agencies and DSS, are involved in preparing input, processing data, providing reports, analysing reasons for differences and correcting errors.

5.14 From our examinations, departments which appear to be most satisfied with their accounting services and management reporting are those receiving special services from DSS, or those outside the DSS system giving DSS only information essential to preparing central accounts.

Opportunities for improvements

5.15 A report by an interdepartmental committee in October 1974, outlined most deficiencies and presented a plan of action. In brief, a series of steps were proposed to:

- improve the timeliness of reporting to departments and agencies;
- improve the accuracy of reporting;
- enhance the general flexibility of the reporting system; and
- provide for accrual accounting, program budgeting, asset and liability analyses, and cash analysis needs.

5.16 The committee projected costs of approximately \$3.5 million over the next five years, should planned systems improvements be proceeded with. In addition, the projected cost of designing a revised central reporting system, an integral part of the action plan, was considered to be \$2.3 million. The committee suggested a redesign concept which features the same principles as the existing system whereby DSS processes and prepares the accounting and management reports as a service to all departments. Because of its mandate the committee did not seriously explore other alternatives which could speed up the timeliness of reports and advance cut-off dates nearer to the month-end. For example:

- departments with the accounting and data processing capability could prepare all of their own financial information provided they supply DSS service offices with cheque issue data and other financial and statistical information required for the central accounts. Under this alternative, DSS would continue to prepare cheques and record cash and other departmentally provided data in the central accounts;
- the Receiver General could delegate cheque preparation responsibilities to those departments who have the accounting and processing capability and who demonstrate that they can, on his behalf, provide adequate internal controls over the disbursement function. Under this alternative, departments would assume full

responsibility for preparing their own financial reports and for preparing their own data for input to the central accounts in a manner acceptable to the Receiver General. DSS would continue to be responsible for cheque redemption and control of all funds received by and issued from the Consolidated Revenue Fund.

5.17 In each of these alternatives, the departments and agencies which do not possess the requisite capability for processing their own accounting information would continue an arrangement similar to their present one. That is, DSS would provide an accounting service using departmental source documents but prepared in the standard format.

5.18 Another approach which might be considered would be to utilize the regional Services offices of DSS to prepare departmental and agency management information. This would involve a more extensive use of communications between the regional and central computer facility in order to consolidate information for departmental headquarters and to ensure that responsibility centre statements produced in regional areas are adjusted to reflect accounting entries generated by head office locations. Moreover, more emphasis would have to be placed on validating departmental input at the point of entry into the system rather than having this function performed only when data are received in Ottawa, as at present.

5.19 Each of the alternatives suggests some form of decentralization. However, none of them infers a reduction of the responsibilities of the Receiver General which are to:

- operate the Consolidated Revenue Fund;
- provide daily analyses to central agencies of receipts, disbursements and other transactions affecting the Consolidated Revenue Fund;
- provide to the Bank of Canada a daily analysis of foreign cheques, cheque redemption, etc.;
- provide departments with balances of departmental appropriation and other control accounts;
- provide the monthly Gazette statements; and
- provide expenditure analyses by economic classification and such other classifications as are required.

5.20 The cost of the alternative programs for data capture and report preparation would also have to be assessed in relation to those associated with the improvements and redesign of the current system which, if approved, would approximate \$5.8 million over a 5-year period. Moreover, in weighing the possible alternatives, an assessment would have to be made of the relative quality of the departmental systems which have been implemented or are in the course of being introduced to obviate the shortcomings of the DSS reporting

system. In addition, the costs of making departmental systems compatible with requirements essential for the provision of central information would also have to be determined. However, without undertaking an assessment of the more decentralized approach, there can be no assurance that the proposal put forth by the inter-departmental committee is the best alternative to meet the criteria of timeliness and accuracy at a reasonable cost.

5.21 Some of the more likely benefits of developing a decentralized capability for producing departmental accounting and related reporting systems are:

- departmental and central agency reporting would be accelerated because more than one computer would be involved in summarizing data, thus the problems associated with sequential aggregation of data in the current system would be eliminated;
- the elements of cash and reporting control achieved through the use of the Consolidated Revenue Fund would be preserved;
- errors would be detected and corrected more quickly because processing data in a decentralized fashion would permit validating input at the point of entry into the system; and
- implementation of OPMS systems in departments on a basis integrated with the financial accounts would be facilitated.

5.22 Disadvantages would also be experienced, the more important of which are as follows:

- under certain of the alternatives, DSS would have less control over the quality and timing of departmental input. Nevertheless, both of these elements could improve since departments and agencies would establish their own processing criteria separate from the criteria specified by DSS to meet its own requirements;
- there could be an increase in personnel and computer processing costs, but this may be doubtful in view of the duplicate systems which have been developed and are being maintained by many of the departments and agencies.

5.23 Should improvements not be introduced to the existing system, criticism will continue with respect to the timeliness, accuracy and content of reports. There is open scepticism in the major client departments that improvements can or will be made to the DSS system and, therefore, there is a strong likelihood that the number of independent systems will increase. If the central system is to survive and be reaffirmed as a useful means of service, steps must be taken to obviate its shortcomings. Judging from experience, it is unlikely that significant improvements will be effected without a more decentralized approach to the design of the system.

5.24 *A study should be undertaken to determine the most appropriate method of achieving timely and accurate financial reports for departments and agencies.*

PAYROLL SYSTEMS

5.25 The DSS payroll system covers more than 300,000 salaried and hourly-paid public servants, including non-uniformed members of the Royal Canadian Mounted Police and Canada's armed forces. Payroll costs are a large recurring expenditure and account for 18% of the federal budget. From the standpoint of financial management, payroll systems must provide for prompt and efficient preparation of payroll cheques while ensuring the accuracy of payroll information, providing safeguards against fraud or misuse of funds, and controlling expenditures within budgetary provisions.

5.26 The present payroll systems are governed by an Order in Council issued in 1969, pursuant to Sections 46 and 47 of the Government Organization Act. The more salient points follow:

“Minister (Supply and Services) shall provide the following administrative and other services required for the disbursements of pay to persons employed in the Public Service ...

- “(a) the verification of pertinent data in personnel documentation submitted to paying offices to initiate, change or terminate pay entitlements and deductions;
- “(b) the compilation and calculation of pay entitlements;
- “(c) the control of pay cheque forms, the production of pay cheques and their custody until predetermined release dates;
- “(d) the production of associated payroll cost and expenditure distribution data ...”

5.27 To meet this mandate, the following pay systems are operated:

- central pay systems covering essentially all salaried public servants;
- regional pay systems directed mainly to hourly-paid public servants; and
- House of Commons and Printing Office systems, two small but separate pay systems.

5.28 The central and regional pay systems operated by DSS need revision to meet basic standards of good financial management. This report therefore concentrates on the inadequacies of these two systems and makes suggestions for improvements. The House of Commons and Printing Office pay systems were not examined.

5.29 Work began in 1969 on a revised pay system to replace both the central and regional pay systems to meet an expressed requirement for detailed analysis of employee classification data and the need for personnel information to assist in collective bargaining. A pilot project was initiated in 1974 to test the designed system. Sufficient problems were encountered in the pilot project that, in September 1974, conversion stopped pending a detailed reassessment of system needs and how these can best be satisfied. On March 12, 1975, following this reassessment, a final decision was made to stop work on the revised system. There have been few significant improvements to pay procedures within the existing system because of this major planned revision.

5.30 The repetitive nature of payroll transactions makes practicable the use of “exception routine” procedures. This means that once an employee is on the pay system, is processed on a regular basis until there is a notice of change in status. The timing for processing and distributing in the central pay system is now:

Cheque processing begins — Pay Day minus 15 days

Cheques ready for mailing — Pay Day minus 11 days

This does not take into account the time required to initiate personnel data within the employee’s department or the time within DSS to process and record changes. Adding these to the above time schedule, the delay between the initiation of an employee status change and the reflection of this change in his pay cheque in the central system may exceed 30 days. This time can be less depending on the priority attached to the transaction. These delays in recording or correcting payroll expenditures are one factor in payroll costs not being included in financial reports on a timely basis.

5.31 A special preprinted form is in use to consolidate information used in the pay systems. This form, originating in an employee’s department, contains a wide range of information, and with the exception of overtime adjustments, attends to all other factors in adding to or deleting from the pay registry.

5.32 The majority of departmental personnel involved in processing payroll data perform primarily routine clerical functions. When asked about pay adjustments or pay distribution, they usually transfer the responsibility to the DSS pay centre. Placing responsibility with the DSS pay centre in many cases reflects a failure to exercise a departmental responsibility. The responsibility for exercising adequate financial control over the accuracy of an employee’s compensation and the accurate distribution of his wage into the financial accounts is not clearly defined as that of the department or of DSS.

5.33 Because of the numbers of people and geographic areas serviced, the current system cannot react quickly to meet an individual employee’s need or, in many instances, the department’s needs. Computer systems can be insensitive as far as the individual employee is concerned, but the insensitivity is normally offset by their ability to react quickly to pressing needs, thereby eliminating repetitive inequities. The current system takes too long to react to changes in employee status, such as classification, pay and addition to or deletion from the payroll register. Furthermore, it does not satisfy the requirements for cost or other financial information imperative in financial or any other management information systems.

5.34 The impact of computers and the mix of equipment used in payroll processing on these problems has not been determined. Various computer and peripheral equipment manufacturers have supplied equipment used in the present central and regional pay processing. The processing delays and the associated costs caused by this mix could be significant.

5.35 To service better the financial requirements of both employees and departments, the time delays in the processing cycle have to be reduced. Solutions may include bank deposit directly to the employee's bank account, cheque preparation closer to the employee's working location, or "on-line" data input by telecommunications from the employee's office location to centrally located cheque-processing units. Situations where new employees are on staff 30 days or longer before receiving their initial pay cheque are conducive neither to proper financial management nor to good employee-employer relations. Furthermore, delays in removing staff from the payroll result in cheques being produced after an employee has left. The opportunity in these cases for someone to falsify the payee endorsement on the cheque is obvious.

5.36 Present procedures centralize control of all payroll information within DSS. Departments are not fulfilling their responsibility to control their payrolls adequately. They provide the necessary information but look to the DSS office to comment or to process. Departments, including their regional offices, should control information from the standpoint of validity, accuracy and timeliness. DSS, in turn, should process and disseminate the cheques and provide reports based on the information given to them to satisfy departments and also to meet the needs of central agencies including, for example, data used by the Treasury Board in contract negotiations, employment data for Statistics Canada, and superannuation information and classification data for the Public Service Commission.

5.37 About 40% of the DSS clerical staff associated with the pay system are involved in the transcription of information received from departments before it is entered into the computer. This includes additions or deletions from the government payroll, changes in employee classifications, and status changes in compensation, fringe benefits, marital status, employee geographic location and distribution information. With such a spectrum of areas, errors will occur. It may be more practicable to provide forms which separate personnel statistics from pay data. A standardization of procedures and methods is essential, but this should be done as simply as possible where a wide range of public service employees are involved. In developing procedures, the attention must be given to those which can be quickly comprehended by the least qualified and newest clerk who could be requested to work in the area. In addition, the employee's department should assume responsibility for accuracy in preparation and timeliness in submission to the central or regional pay office. The central agency should be responsible only for accurate processing and the necessary accounting data output.

5.38 *A study should be undertaken to determine how departments could better prepare and control payroll documentation up to the point of submission to a central or regional pay office of the Department of Supply and Services, these offices being responsible only for cheque preparation and for the systems and procedures necessary to process the payroll, to make the required withholdings and to provide essential information to central agencies.*

VI FINANCIAL CONTROLS

6.1 Financial systems include internal checks and accounting controls to ensure the completeness and accuracy of all financial transactions and of all financial information, and to confirm that transactions have been properly authorized. The means of applying the techniques of financial control are relatively technical, but the fundamental principles are simple. There is a clear need for adhering to these principles if there is to be adequate control by the government of funds appropriated for its use by Parliament.

6.2 Financial controls are generally developed in accordance with the fundamental principles that:

- there should be a careful segregation of duties so that, without unnecessary duplication of effort, one staff member or one element of a system maintains an effective independent control upon the integrity and accuracy of another;
- control should be established as early as practicable in a system and maintained through all stages of manual, mechanical and electronic processing.

6.3 In law and in practice the deputy head of a department or agency shares responsibility for systems of financial control with the Treasury Board, the Receiver General and the minister to whom the deputy reports.

6.4 The Financial Administration Act gives the Treasury Board authority to act on all matters relating to financial administration and more specific authority to make regulations respecting the collection, management and administration of, and the accounting for, public money and the keeping of records of public property. One means by which this authority has been exercised has been through regulations, most of which date back several years. The regulations are not comprehensive. They set minimum standards as to form, authorization and timing only for certain specific types of transactions. Rather than extending the scope of its regulations, Treasury Board has supplemented them with the brief policy outline and the directives and guidelines contained in its Guide on Financial Administration.

6.5 The Financial Administration Act provides for the Receiver General's financial control responsibilities. Every payment is made under the direction and control of the Receiver General and all public money is deposited to his credit. In addition, the Department of Supply and Services Act authorizes that Department to provide a number of services which, by their nature, require financial controls since they involve providing a wide range of financial services to departments and agencies.

6.6 A minister's specific financial control responsibilities derive from authorities granted to him by the Financial Administration Act, although these authorities are usually delegated. Under the Act, only the appropriate minister, or a person authorized by him in writing, may requisition a payment or make a charge against an appropriation.

6.7 The deputy head has general responsibility for all aspects of administration, but in addition, the Act and regulations more specifically assign certain financial control responsibilities to him. These include responsibility for internal control and audit, and for controlling commitments.

6.8 Almost every type of financial transaction, whether related to expenditures, payrolls, revenue or materiel management, is subject to controls required by legislation, regulation or other central agency directions. Significant clerical effort aimed at specific aspects of financial control is frequently inadequately directed and co-ordinated within departments and between departments and common service agencies. The effectiveness of financial control systems is overly dependent on the experience and integrity of the employees involved, and on inefficient and repetitive checking. These fundamental weaknesses result in incomplete or inaccurate financial information and in inadequate protection against fraud and error.

6.9 The Treasury Board Guide on Financial Administration discusses the objectives and principles of financial control at length under several chapter headings and by regulation and directive has established certain practices as mandatory for all departments. However, these standard practices are often not followed.

6.10 Since the objective of financial controls is to ensure adequate completeness and accuracy of financial information and proper authority for financial transactions, there should be controls to ensure that:

- all transactions are processed in the appropriate accounting period;
- only properly authorized transactions are processed; and
- all systems and systems amendments are appropriately authorized.

6.11 Effective controls in any instance require a planned selection and integration of techniques related to such factors as:

- the allocation of financial responsibilities at all levels in the organization;
- physical controls, such as the sequential control of numbered documents or the safekeeping of assets or records; and
- accounting controls, such as double-entry bookkeeping and control accounts over independent or subsidiary accounting systems.

6.12 The techniques of financial control, as almost universally applied in the private sector, should be well understood by all officers with accounting qualifications and should be established in departments by financial officers as an essential element of their responsibilities without any need for directions from central agencies. Nevertheless, departments have been slow in responding even to explicit directives from Treasury Board such as those requiring that the same person shall not exercise spending authority and payment

authority for a particular transaction, or those simplifying administrative procedures through the concept of delegation to positions rather than to persons.

6.13 The reason good systems of financial control have not generally been developed appears to be attributable to a combination of factors, including:

- the need for good systems of financial control does not appear to be given a high priority in filling or classifying financial positions, the emphasis instead being placed on resource allocation responsibilities;
- funds required for financial controls at the operating level are obtained only in competition with other administrative or operating aspects which often receive higher priority;
- lines of responsibility are so established that financial officers may have only restricted authority to ensure adequate financial controls;
- persons performing financial duties in departments frequently lack the training to give them an awareness, appreciation or understanding of financial control principles and the techniques of implementing them;
- uncertainties and misunderstanding arise as to the extent of responsibilities of departments versus those of the Receiver General and DSS;
- DSS has not clearly segregated its service and control responsibilities, so that from a departmental view point the two roles are indistinguishable; and
- departments tend to assume wrongly that the controls operated by DSS are effective for departmental purposes whereas they are designed primarily to meet its own responsibilities for cheque issue, payrolls, receipts and fiscal accounting, without ensuring that the controls effectively safeguard departments.

6.14 This chapter discusses the application of controls in relation to three types of financial transactions:

- Expenditures;
- Payrolls;
- Revenues, receivables and inventories;

and concludes by discussing how responsibility for improving financial controls should be assigned.

CONTROLS OVER EXPENDITURES

Weaknesses in delegation of authorities

6.15 Ministers and deputy heads of departments and agencies delegate to designated persons their authority to enter into a contract or into other arrangements for paying

money, and to requisition a payment in accordance with Section 34, 27 and 26 of the Financial Administration Act. There are some deficiencies in the way these authorities are delegated:

- delegation documents are not always signed by the current minister;
- documents are not always up to date with respect to additions of new employees, deletions of departed employees and amendments to reflect promotions and changes in responsibilities;
- authorities widely delegated to employees throughout the department frequently place no effective limit on their scope or dollar amount;
- documents do not clearly distinguish types of transactions, such as payroll, travel, supplies, professional services, capital, contracts, grants or contributions, so that authorities relate to the nature of the person's responsibilities;
- employees with delegated authority may on their own responsibility initiate, verify and authorize a complete transaction for payment; and
- documents may be incomplete, often not mentioning commitment authority under Section 25 as well as financial responsibilities specifically assigned to deputy heads by Treasury Board, such as the authority to authorize certain type of travel.

6.16 As part of cheque issue procedures, DSS compares the signature authorizing the cheque requisition with signature records, but it does not generally verify that the payment is within any limits imposed on the authority of that person, nor does it usually verify any other signatures that may be provided. Those performing account verification within departments often do not confirm that delegated authorities are being adhered to. There are many instances of delegated authorities not being followed, but for administrative convenience rather than for fraudulent purposes.

6.17 The Treasury Board Guide on Financial Administration introduced significant instructions to clarify the purposes and mechanics of delegating financial authorities in a manner permitting administrative efficiency without sacrificing good financial control. Four major suggestions or requirements outlined in the Treasury Board Guide may be summarized briefly as follows:

- authority should be delegated to positions, rather than to individual persons as implied in the Act, to simplify greatly the administrative procedures of documenting and ensuring adherence to financial authorities;
- clear distinction should be made between two types of financial authority and these should be separately delegated — namely, “spending authority”, the authority to initiate an expenditure or to certify contract performance; and “payment authority”, the authority to requisition a payment;
- each payment requires the authority of two officers; and

- “commitment authority”, the authority to certify that sufficient unencumbered funds are available in an appropriation to pay for a proposed transaction, should be assigned to persons either with “payment authority” or with “spending authority”, depending on where information is available on disbursements to date and outstanding commitments.

6.18 Few departments and agencies appear to have acted on their own initiative to implement Treasury Board policies on delegation of authorities. As a result of evaluation by Treasury Board staff, most departments, however, have agreed to take such action in the future.

Weaknesses in the application of financial controls

6.19 The total expenditure cycle begins with the requisitioning of goods or services and continues through commitment control, receiving, account verification, allotment control, cheque requisitioning, cheque issue, and finally, financial reporting. The following are some of the typical weaknesses in financial controls within this cycle:

- goods or services are requisitioned by a wide variety of employees, using blank requisitions which are not under physical or other controls to prevent their unauthorized use;
- spending authority is often exercised by administrative officers on behalf of the responsible manager, but it may also be exercised by others without necessarily obtaining the concurrence of the manager to whom the expenditure will be charged;
- commitment certification is frequently omitted, or more seriously, is often exercised by persons who lack reliable financial information as to the unencumbered amount of appropriations or allotments;
- outstanding requisitions are not generally under numerical, physical or other accounting controls that would ensure the completeness of commitment information within the departments;
- specialists within departments frequently process orders without verifying the signatures and delegated authority limits of the persons who initiated them;
- managers verify accounts under Section 27 of the Financial Administration Act, on receipt of goods or services and invoices, based on a review of the documents placed before them, but there is usually no clear evidence of clerical responsibility for performing all the required checks critical to the account verification process;
- payment authority under Section 26 of the Financial Administration Act is often exercised within the same organization in such a way that there may be a loss of the degree of independence intended in Treasury Board instructions;
- conversely, where regional or national headquarters exercise payment authority centrally, the authorized officers may lack the necessary knowledge, supporting

documentation, signature records of persons with spending authority, or information as to the uncommitted balance available in an appropriation of allotment to exercise such authority;

- centralized pre-audit procedures are carried out by departmental or regional offices before or after the payment authority is granted, but employees performing these reviews may not have the supporting information to make the checks effective or reliable;
- the basis for determining samples for detailed repetitive testing is not documented and there is no procedure, when errors are identified, for expanding the sample, for taking appropriate corrective action or for notifying the supervisor of a person who processed an error;
- dollar amounts are recorded on cheque requisitions in digits and are not written out to prevent subsequent alterations;
- after granting of spending authority, frequently by a manager in the field, secretarial, mail-room, pre-audit, accounting and computer staff may be involved in handling an approved cheque requisition before an effective physical or accounting control is established; as a result, requisitions can be altered without difficulty after spending is authorized;
- DSS issues cheques, based on requisitions from departments, usually without further supporting documentation, verifying only the accuracy or validity of certain fields of data, such as the payee, the amount and the codes for the central accounts of Canada, but not the accuracy of all departmental accounting codes;
- cheque and cheque lists are returned by DSS directly to the persons involved in establishing and maintaining the controls, providing an opportunity for an employee to benefit from a fraud or error initiated without need for collusion (a recent Treasury Board circular forbids this practice);
- departmental accounting offices receive daily listings of batches processed and cheques issued by DSS for reconciliation with departmental records. They generally do not check the accuracy of the details within the total amount of the batch to identify errors in data conversion or processing;
- DSS prepares detailed transaction listings to support the financial reports provided to departmental managers, but these managers frequently are not maintaining close enough controls on their financial reports to identify errors or omissions such as transactions which were approved by the manager but not processed centrally, charged in error to, or by, other managers, identified as invalid and rejected during processing; and
- for many types of expenditures, some form of specialized detailed accounting record is required for control and financial disclosure purposes as in the case of loans,

capital expenditures, accountable advances, inventories and fees paid for professional services, but frequently these records are informally maintained, are not regularly reconciled or effectively integrated with the principal accounting system and as a consequence are unreliable.

6.20 The processing schedules and the currency of the government's accounting systems have a major impact on the effectiveness of financial controls over expenditure. Generally cheque requisitions are submitted to the Department of Supply and Services for payment and processing before the fourth or third last working day of the month. Allowing for mailing of documents from remote field offices to regional or headquarters accounting offices, the effective month-end cut-off date for expenditure may be as early as mid-month. Detailed information or supplementary systems at the local level may be up to date, but reconciliation of these detailed records to the official accounts is unnecessarily difficult and usually not performed regularly. Thus, particularly in departments which handle cheque requisitions through a central location, it may be difficult to maintain managerial control.

Suggested improvements

6.21 The precise manner of establishing an adequate system of financial controls over cheque requisitions will vary with the circumstances, such as the size of the organizational unit and the number of transactions processed, but generally they should ensure that:

- officers to whom authority is delegated have the information and independence they need, and that their accountability is clearly established;
- physical or numerical controls over documents are maintained;
- controls on the dollar amounts of cheque requisitions are established before the requisitions are given spending or payment authority;
- officers authorizing the cheque requisitions are provided with clear evidence of all prior controls as a prerequisite for giving their authority;
- officers authorizing such requisitions do not have access to accounting controls and persons who established accounting controls do not have access to the requisitions after they have been authorized;
- payment authority is segregated from spending authority; and
- accounting controls are maintained through all stages of processing, and verified after the cheque issue and financial reporting processes are complete.

6.22 *In all financial systems, duties should be carefully segregated so that, without unnecessary duplication of effort, one staff member or one element of a system maintains an effective independent control upon the integrity and accuracy of another. In particular there should be an adequate segregation of spending authority from payment authority for all expenditure transactions, and also of such duties as verifying accounts for payment, preparing*

documentation, requisitioning and distributing cheques, and receiving and depositing money. Control should be established as early as practicable and maintained through all stages of manual, mechanical and electronic processing. In particular:

- *managers should exercise delegated authority only where they have the information to do so;*
- *controls on all significant data should be established at the originating level before processing, and be confirmed by the same level after processing;*
- *controls over expenditures should be established before spending and payment authorities are granted; and*
- *there should be a clearly documented evidence of performance of all control functions and this evidence should be regularly reviewed by managers.*

CONTROLS OVER PAYROLLS

6.23 Payroll systems should be subject to the same standards of financial controls as other expenditures. However, the financial control regulations, directives and guidelines issued by the Treasury Board under the authority of the Financial Administration Act have been directed primarily to the control of expenditures other than payroll. DSS instructions generally deal only with the administrative mechanics to be adhered to by client departments. There is need for comprehensive instructions directed specifically at the standards of financial control to be maintained over payroll systems.

6.24 Within most departments and agencies, primary responsibility for control of payroll systems rests with personnel organizations. Moreover, for administrative convenience, full responsibility for administering the payrolls of a group of departmental employees is often assigned to specific employees within such organizations.

Typical weaknesses

6.25 The following summarizes some typical weaknesses in control over payrolls:

- for each payroll adjustment or transaction, personnel clerks fill out standard documents based on information received from responsible managers or personnel officers but there is generally no requirement for them to obtain spending authority from such managers even though they have no means of knowing that funds are available;
- the principal documents for originating or altering payroll transactions are in a block format suitable for the purposes of keypunch conversion, but they require great care in completion to avoid error or omission;
- data on the documents are manually transcribed by DSS on other documents suitable for keypunching, but effective physical and accounting controls are not maintained during this process;

- payroll cheques and computer printed paylists are sent to departments and agencies, generally to the same personnel who prepared the original documents and who may also distribute the cheques (also forbidden by the recent Treasury Board circular);
- copies of payroll documents are maintained in open files until it is apparent from a visual scrutiny of the paylists that the appropriate payroll adjustments have been processed by DSS;
- responsible managers receive month-end listings of payroll transactions charged to them but generally these listings lack the details necessary for identifying errors or omissions;
- there is no control information on pay lists, such as the total normal standard salary costs excluding special pay adjustments, which is a particularly serious weakness as actual pay costs can be significantly distorted from week to week by retroactive and other adjustments and are difficult to control in total; and
- once a year DSS provides client departments with a listing by each responsible manager of all employees on their active files with their classifications, rates of pay, standard deductions, and accounting codes, but there is no assurance that these are distributed to the responsible managers so that pay actions initiated by personnel officers may be checked.

Suggested improvements

6.26 In electronic payroll systems careful control is required over the standing data in computer files. In addition, departments need control on the completeness, accuracy and authority of payroll actions through all stages of processing. There are many ways of combining detailed manual and electronic controls to achieve this. In practice, they should normally exhibit the following features:

- accounting controls should be established on significant standing data — such as the number of employees, standard gross wages or standard hours of work, and on significant variable data, such as leave without pay or overtime hours — before source documents are given spending authority;
- payroll adjustments and transactions affecting the amount of or accounting for gross payroll costs should be authorized by the responsible manager;
- officers authorizing pay adjustments should not have access to accounting controls, and the persons who establish accounting controls should not have access to the source documents after they have been authorized;
- payment authority should be segregated from spending authority; and
- controls on standing data and variable data should be confirmed after payroll processing.

6.27 *Financial staff should be responsible for ensuring that there are controls within payroll systems just as in all other administrative systems giving rise to financial transactions.*

CONTROLS OVER REVENUES, RECEIVABLES AND INVENTORIES

Revenues and receivables

6.28 Departments and agencies receive money in a great variety of circumstances ranging from complex, high-volume situations to relatively simple occasional receipts. Comments and observations in this section of the report are directed primarily towards those instances where the collection of revenue is not the primary function of the program.

6.29 A number of regulations deal with controlling revenues, accounts receivable and receipts, such as the Deletion of Debts Regulations, the Assignment of Crown Debt Regulations and the Receipt and Deposit of Public Money Regulations. In particular, the Receipt and Deposit of Public Money Regulations set out precise rules about recording and depositing public money and transferring funds to the Bank of Canada. Although these rules are documented in the procedural instructions of most departments, there are many identified exceptions where they are not always being followed. For example, there are instances where:

- public money on hand in excess of \$100 is not being deposited each day as required; and
- deposits are not made, as required, by the person who collects or receives the money, but are being forwarded to regional or headquarters offices for deposit by others.

6.30 Most departments have not effectively implemented the Treasury Board instructions regarding revenues and accounts receivable. Weaknesses were identified in most systems. A common situation is that, for administrative convenience, one employee may have full responsibility for a particular system including controlling billing documents, maintaining the accounts receivable records, recording and depositing receipts, pursuing outstanding debtors and initiating deletion action. The detailed records themselves are frequently controlled informally without accounting for the numerical sequence of billing documents. Rarely are independent control accounts maintained. Where control accounts are maintained — as in the case of assets, which are identified in the fiscal accounts of Canada, or accountable advances, which are by regulation identified as a specific item charged to an appropriation — the detailed records are not usually being regularly reconciled to the control account by an independent person. In some instances, receipts deposited by one manager are, for budgetary purposes, credited to the accounts of another, with the result that neither has sufficiently detailed information to ensure effective control.

6.31 A lack of segregation of duties is the most common deficiency identified in systems of internal control over the billing, accounting for, collecting and depositing revenues. At the present time there are significant opportunities for undetected fraud and error in this area. The most appropriate way of segregating duties will vary with circumstances.

For example, where one employee initiates invoices, records and deposits cash receipts, and maintains the accounts receivable records, a second employee should maintain independent controls ensuring that invoices are duly prepared for all services rendered or goods shipped, that all cheques and cash receipts are deposited and promptly transferred to the Consolidated Revenue Fund and that accounts receivable are correctly recorded and reported.

Inventories

6.32 Control of inventories in the government has historically been the responsibility of operating managers or of officers responsible for the materiel management function, with minimal involvement by financial officers. Treasury Board policy statements have established basic procedures for the administration of materiel but make negligible reference to financial controls or to techniques for physical control, accurate record-keeping, independent check, financial reporting, or budgetary control of inventories.

6.33 The Treasury Board Guide on Financial Administration states:

“Accounting controls should be established over inventories of materials and equipment wherever there is need, because of the amounts or nature of the inventories, for independently controlling them, for providing information on changes in inventory levels, or for eliminating the effect of inventory changes from costs reported by the principal accounting systems.”

6.34 Several departments have inventories of consumable supplies significant in relation to the budget of the department as a whole, others significant in relation to the budgets of individual managers. Generally these supplies are not under independent accounting control and are recorded as costs in the principal departmental accounting system when purchased. In accordance with the instructions for materiel management, there usually are manual, mechanical or electronic systems for recording physical quantities, stock receipts and issues, but these records are usually prepared by the staff responsible for the custody and use of the assets. Reports on inventory levels, turnover and obsolete items, when available, are usually prepared in non-financial terms only and are retained by the applicable manager or within the materiel management function.

6.35 Working capital advances can provide a fully integrated means of maintaining an independent accounting control over inventories and accounts receivable. They require reliable and consistent methods of recording inventory acquisitions and of costing issues. For example, charges or credits can be recorded in inventory accounts at standard cost for each item received or issued so that at any time the accounting records represent the standard cost of all inventories which should be on hand. However, the manner in which these accounts are operated and controlled is frequently imprecise with respect to such procedures, so that in practice the account does not usually provide a reliable or independent control over the persons responsible for the physical control and utilization of the inventories.

Suggested improvement

6.36 In the case of accounts receivable and of inventories, the concept of maintaining a control account in the principal accounting systems supported by subsidiary detailed accounting systems can be an effective and efficient way of establishing and maintaining independent financial control of these assets. Integrated control accounts impose the self-checking disciplines of double-entry bookkeeping and provide a basis for disclosure of accounts receivable and inventories through the accounting and financial reporting systems. These concepts, although established in the Treasury Board Guide on Financial Administration, are rarely applied in practice.

6.37 *All revenues, accounts receivable and significant inventories should be under effective systems of control, generally an independent accounting control.*

RESPONSIBILITY FOR IMPROVING FINANCIAL CONTROLS

6.38 One way to improve financial control systems might be to expand Treasury Board regulations and directives so that standard systems are prescribed for almost every situation, with intensive policing to ensure adherence. However, although a greater degree of standardization of financial controls is desirable, an indiscriminate imposition of detailed standard systems is not.

6.39 It is preferable to develop and operate efficient and effective financial controls within departments in accordance with the particular circumstances of each application, subject only to government-wide standards. Persons responsible for maintaining financial controls in departments must have sufficient authority and guidance to perform this task effectively. Responsibilities must be clarified between departments and central agencies, and between organizations within departments.

6.40 The government must be assured that appropriate standards are followed throughout the public service. This can best be done by issuing clear directions as to what is required, backed up by systems reviews by staff of a central agency and supported by test audits by departmental internal audit teams.

6.41 A central agency should propose for Treasury Board approval the necessary directions and instructions and then regularly review all systems of financial control. Based on these reviews, it should approve, in writing, those systems which in its opinion are adequate. It should advise the Treasury Board when systems, or elements of systems, are inadequate. This responsibility is closely aligned to the previous proposal for central agency approval of budgetary control and financial reporting systems. Accordingly, it would make sense for the same central agency to assume this responsibility since these responsibilities require the same skills and are interrelated.

6.42 *Departmental systems should be reviewed and approved by a central agency to ensure that they comply with Treasury Board regulations and such other instructions as are required to ensure adequate control of expenditures, revenues and assets.*

VII INTERNAL AUDIT

7.1 Internal audit has long been considered an important element in the managerial control process since it provides a means of appraising the effectiveness and the efficiency of financial and other operations. The need for this element of control within the federal government was more strongly identified in 1962 when Glassco recommended that departmental management be responsible for establishing and maintaining proper systems of internal audit. In 1966 Treasury Board accepted the recommendation and a policy to this effect was published in the Financial Management Guide issued at that time. In 1973 a number of directives issued in the Guide on Financial Administration, which replaced the earlier Guide, made internal financial audits mandatory for all departments. In taking this step, Treasury Board enunciated the basic requirements for internal audits, including matters related to scope, frequency, independence and reporting.

7.2 Traditionally, internal audits were confined to assessing the degree of compliance with prescribed financial regulations and other directives. The primary objective of a financial audit is to obtain an independent evaluation of the system of financial management and control within a department or agency to ensure that it satisfies all requirements for financial visibility, accountability and control in the acquisition, custody and utilization of financial resources. This type of system evaluation is generally supported by tests of accounting and other transactions to determine the degree of adherence by departmental personnel.

7.3 Introduction of operational audits has recently extended the scope of internal audits in some departments. Not usually restricted to matters of financial administration, they are designed to evaluate any or all aspects of a department's operations as a service to management. Their scope varies considerably and may relate to assessing not only the efficiency of systems and procedures, but also whether managers are using personnel, assets, space, etc., in an economical and efficient manner. Audits of this type may also assess the effectiveness of programs, but in practice, little attempt has been made to perform audits aimed at determining whether departmental objectives are being met effectively.

7.4 A number of departments and agencies employ the Audit Services Bureau (ASB) of the Department of Supply and Services to perform internal audits on their behalf and to carry out other auditing assignments such as the verification of payments under contracts and agreements. The Bureau's services include financial and operational audits, the nature and scope being agreed beforehand with departmental management. Results and findings are communicated directly to the department or agency concerned unless the terms of reference specify a wider report distribution.

7.5 The Financial Administration Act gives Treasury Board general responsibility for matters related to financial management. In fulfilling its obligations, the Secretariat recently established a small staff to evaluate the degree of departmental compliance with

directives and instructions issued about the financial function. This staff reviews departmental financial administration systems on a cyclical basis. Its work is limited to a system review without any attempt to test the quality of the application of the system in a manner that might duplicate coverage of departmental internal audit groups.

7.6 Departmental internal audits and Treasury Board evaluations are carried out on behalf of different management groups:

- internal audits, whether carried out by departmental staff or by ASB, are intended to give deputy heads assurance that financial responsibilities as delegated within the department are properly discharged;
- Treasury Board evaluations are designed to determine whether departmental financial systems adequately protect the government.

7.7 Each type of review is concerned with assessing adequacy of departmental systems. Internal departmental audits go further in that they test the application of the systems by examining a sample of transactions.

7.8 Earlier in this report proposals have been made for a central agency review of departmental budgetary control and financial reporting systems and of departmental financial controls. This would encompass much of the work being done by the evaluation unit of the Treasury Board Secretariat, but it would extend it by requiring the central agency to give or withhold specific approval of systems depending upon the agency's findings. This may be regarded as one aspect of an internal audit and the manner in which this type of review should take place is further discussed in the last chapter of this report. This chapter is primarily concerned with the type of internal audit that falls within the responsibilities of deputy heads.

7.9 A number of major concerns relating to internal audit have been identified and may be summarized as follows:

- some departments have no internal audit;
- internal auditors are often involved in systems design and implementation which may divert them or compromise their ability to discharge their responsibilities;
- internal audit coverage in many respects does not appear to be adequate. Cases can be cited where auditors conducting regional audits have been prevented from evaluating the internal controls of, or following up on, transactions originating or terminating at headquarters locations;
- the scope of internal audit is not uniform among departments; some internal audit groups perform superficial financial audits while others work actively in operational-type auditing;

- reporting relationships between departmental management and internal audit groups are not consistent. Many groups respond to a chief financial officer, which may reduce the effectiveness of audit examinations;
- in many instances staff training for internal auditors is obtained solely through job experience; and
- internal groups often have limited familiarity with requirements prescribed by Treasury Board.

7.10 The weaknesses summarized above point to the need for a change in the emphasis given to internal financial audits. There should be no change in the basic objective of internal audit — providing management with an independent, but internal, appraisal of the legality, effectiveness and efficiency of financial administration work. Internal audit groups should work for and report to deputy heads. Comprehensive internal audit standards, such as those in Treasury Board's Guide on Financial Administration, must be implemented by departments and monitored centrally to attain a satisfactory internal audit coverage.

7.11 Responsibility for co-ordinating the development of better mechanisms for internal audit would be appropriately added to the responsibilities of the central agency responsible for reviewing departmental systems on behalf of the government. In this connection it is anticipated that the agency would:

- set minimum standards in regard to the scope and coverage of internal audits within departments and agencies;
- receive reports from departmental internal auditors reporting the degree of adherence to executive financial directives; and
- arrange for reviews of the effectiveness of the internal audit function within departments and agencies.

This approach would strengthen materially the internal financial audit function in departments. At the same time the departmental responsibility for audits would be preserved, since the internal auditors, whether associated directly with a department or retained from ASB, would receive their mandate directly from the deputy head who would approve the audit plans annually and act on their findings.

7.12 *The central agency of the government responsible for prescribing the standards, scope and coverage of departmental financial audits, should give greater emphasis to monitoring departmental internal audits so as to encourage greater adherence to the standards.*

VIII FINANCIAL STAFF

8.1 A generally acceptable level of quality in financial management and control in government will be achieved only with appropriately qualified staff. For this reason, personnel matters affecting financial management and control have been reviewed. Studies in departments and central agencies lead to numerous observations which can be grouped under three main topics: status of the financial community in government; qualifications of persons and need for stronger leadership and direction of all people involved in financial management and control.

FINANCIAL COMMUNITY IN GOVERNMENT

8.2 The Financial Administration (FI) Group now comprises positions involved in "the planning, execution and control of accounting, budgetary and financial management practices, systems and procedures required for efficient operation and conduct of government programs and activities; the examination of departmental spending proposals; and the provision of advice on the use of financial resources". It includes a large number of employees involved on a continuous basis with financial management and control. The group numbers approximately 1,600 throughout the Government of Canada. However, many financial administrators are classified as belonging to other groups than FI for many reasons, but often because their duties involve other areas.

8.3 Studies relating specifically to the FI Group have been undertaken since 1971 by such authorities as the Administrative Policy Branch and the Personnel Policy Branch of the Treasury Board Secretariat, as well as by the Public Service Commission. Although many problems have been recognized and some potential solutions advanced, efforts to correct generally acknowledged deficiencies have been inadequate. The Personnel Policy Branch recently revised bench mark positions for classification of FI positions.

8.4 Deficiencies in the classification of financial administration positions are of two types. Some stem from the classification standards which do not satisfy the federal government's present requirements for financial management and control. Others develop when the evaluator's interpretation may differ from what the standards were intended to do. Inconsistent application of standards tends to have serious repercussions in an organization as large as the Government of Canada, since it leads to unnecessary movement of staff among departments as well as to a high degree of dissatisfaction because of apparent inequities.

8.5 The FI Group is composed of two groups of individuals: those experienced but not formally educated; and those with university or professional training. Each type has totally different career possibilities. Most FIs with university graduation or professional qualifications are found in the upper classification levels while those not so trained are increasingly at lower levels.

8.6 Since the standards do not require professional status or university graduation in positions classified at lower levels, they are being filled by personnel inadequately educated for advancement. Because of the specific requests of the managers to whom they report such classification levels as FI-5 and above often require a university education or membership in a recognized accounting body, thus eliminating lower levels of FIs who must transfer to other groups to continue their career progress.

8.7 Post-secondary education is mandatory for many FI positions although minimum qualifications are such that the group is theoretically open to people without formal education. As of 1974, 38% of FIs had some professional qualification and over 50% had a university degree or professional qualification or both of them. This situation presumably results from the demand of managers for more sophisticated management tools such as information systems, cost analysis and forecasting techniques. Thus, it appears that the financial administrator must have the qualifications to develop and utilize systems to control major amounts of financial resources even though the group of which he is a part does not place much emphasis on this aspect in its standards.

8.8 The FI Group has suffered from what has been termed the two-level syndrome. Although it was not a requirement of the classification standards, many firmly believed that a subordinate had to be two levels below his immediate supervisor. It is understood that new classification standards are being developed which will remove any misunderstanding.

8.9 In determining qualifications for positions the government does not differentiate between basic university graduation (B.A., B. Comm.) and membership in an accounting association with or without university graduation, whereas most job evaluation systems in private business generally recognize that a university graduate with a C.A. certificate is equivalent to graduation plus two years' experience, or to a post-graduate degree plus one year's experience.

8.10 Many professional accountants in government choose to work in fields not related to financial management and control. One basic reason is that classification standards for FIs do not adequately recognize professional qualifications. The FI group is equated with other non-professional groups, rather than with such professional groups as economists and lawyers. The usefulness of financial administrators in government depends not only on their competence but also on their degree of professionalism. To fulfil their role effectively, they need advanced knowledge of accounting and financial practices and, even more important, an above-average degree of professional integrity that would lead them to respect governmental policies on the budgeting and expenditure of public funds while assisting the managers to whom they report directly.

8.11 Proper solutions to the numerous problems observed within the financial community will require a comprehensive review. The FI Group could be maintained, but redefined, to adapt more completely to current needs. Alternatively, the present FI Group

could be utilized for all non-professional positions involved in financial administration, and a separate government professional accounting group could be formed. By bringing together most professional accountants, including those involved in auditing and financial programs, such a group would lend itself more readily to comprehensive training programs and career development plans which would improve the quality of the staff. On balance, this seems to be the preferred alternative.

8.12 These possibilities are not to be construed as ideal solutions to current problems, but rather to indicate the complexity and far-reaching aspects of the situation, and to suggest one approach to improving the present situation.

8.13 *A comprehensive study of personnel systems related specifically to financial administrators should be undertaken to consider the advisability of establishing a professional government accounting group commensurate with the current and future needs of government for financial management and control.*

STAFFING THE FINANCIAL FUNCTION

8.14 Decentralization of financial responsibility in the late 1960s created a need for a larger and more competent group of financial administrators to support managers throughout government. The fundamental role of financial staff took on a new dimension with the increasing importance of cost accounting, systems development, budgetary analysis and advisory functions. The financial administrator of previous years was frequently a generalist with administrative-type experience but department officials now want and need a level of competence that can often be found only among those trained in appropriate skills in university, or qualified to be members of established accounting associations.

8.15 These factors have created many opportunities for financial administrators, resulting in high turnover of FI staff. Some departments show a vacancy rate of up to 35% in financial positions and an annual turnover of up to 45%.

8.16 The demand on the Financial Administration Group grew as each department decentralized and staffed to meet the new challenge. Public Service Commission data show the demand for FIs growing faster than supply and it estimated in early 1974 a shortage of approximately 250 financial administrators as at March 31, 1974. Observations indicate even more serious problems for the future, when departments attempt to improve the present quality of financial management and control.

8.17 The increased responsibility of departmental program officers directly affects the numbers of financial administrators required. The increasingly complex nature of the responsibilities of program officers and the greater magnitude of most operations lead to a need to upgrade the qualifications of financial staff.

8.18 The heavy turnover of FIs seriously affects financial management and control. Systems development is particularly curtailed in departments. Lack of continuity in financial administrators results in a loss of efficiency due to the often repeated familiarization process. Cases have been observed where work was redone from the very beginning by a new appointee. A further waste was noted in the form of unfinished projects due to personnel changes.

8.19 The high turnover level and the rapidity with which individuals move on to other positions make it unusually difficult to measure the performance of financial personnel and to assess their training and development needs. In present circumstances, individuals can progress from position to position without proper checks and some have attained positions requiring greater skills than they possess. This happens in a high demand situation where there is difficulty in obtaining a better man for a position and results in a net decrease in the quality of financial management and control in government.

8.20 The demand for FIs is likely to keep growing for several years at least, until departments and agencies have completed the decentralization process begun in the late 1960s. The shortage will be further aggravated if departments seek to realize increasingly higher levels of financial management and control.

8.21 *A comprehensive review should be undertaken to establish the need in government for financial administration personnel by type and level and to develop a program to alleviate the present shortage.*

FINANCIAL COMMUNITY LEADERSHIP

8.22 In the pre-Glassco days the financial community was centred for the most part under the Comptroller of the Treasury. Since 1969, however, there has been a significant dispersal. Formerly, most departmental managers had only limited financial discretion, whereas authority to make most financial decisions now is widely delegated. Thus department financial officers are not only more widely dispersed, they are subject to substantially increased pressures requiring a high degree of skill, competence and professional integrity. They must provide on a decentralized basis, subject to the instructions of the managers to whom they report directly, a satisfactory level of financial management and control in keeping with the vital interests of Parliament, the government and higher levels of management within their own departments. A source of guidance and leadership to set the standards of professional skill and integrity that should be applied throughout government is vitally important.

8.23 The Financial Administration Division of the Administrative Policy Branch, Treasury Board Secretariat, now is the only body to which government accountants can turn for guidance and leadership. However, it has little ability to influence their careers and development except through issuing general policies and evaluating the systems for which they are responsible. Often department financial officers are more involved with the Program Branch, which has responsibility for advising on appropriation requests, since the

managers to whom they report are more concerned with having staff who can obtain resources than with having staff who can control spending.

8.24 In summary, the staffing difficulties are:

- shortage of staff with financial training. This arises partly from the failure to recruit and partly from the failure to retain staff in financial management and control activities;
- failure to train and develop people within the FI Group;
- inability to monitor centrally and to advise departments on the quality and qualifications of their staff or of applicants for financial positions; and
- low morale within the FI Group probably attributable to lack of development opportunities and the feeling that no one at a senior level has its interests at heart.

8.25 Putting this another way: the administrators (deputy heads and subordinate managers) are not given adequate information on the performance of their FI staff. Thus they are not equipped to discharge their clearly assigned responsibility for financial management and control.

8.26 Financial administration has diminished in importance because it lacks the support of Treasury Board and the leadership necessary to give it the means and status to ensure that it can satisfy the needs of administrators.

Glassco said:

“The concern of the centre of government, however, must reach below the deputy ministers and take account of the development and use of other senior administrative staff throughout the public service. To ensure the satisfactory development and distribution of such staff on a government-wide basis, the central machinery must be actively concerned with appointments and transfers relating to certain positions in each department.

“This central concern should extend, first, to those positions immediately below the deputy minister. Movement among departments at this level provides the last opportunity for achieving the broadening of experience and outlook which is so essential to the development of administrative leadership.

“Special considerations apply to two other senior officials in each department: the chief financial officer and the chief personnel officer. These two are most directly concerned with the use of staff and public money, and with the application of the general policies and standards of the government relating to administration. Rotation of such officers among departments and the staff of Treasury Board will do more than anything else to ensure that the general policies and standards are applied with consistency throughout the government.

“Moreover, it is important that these two officers should have the sense that their future careers rest primarily — though not exclusively — on the assessment of their performance by the Treasury Board, rather than on their ability to please the heads of their departments. They must be in all respects members of their respective departments and so regard themselves, and could not be empowered to veto the wishes of their departmental heads and thereby impair the necessary authority and responsibility of the minister and his deputy. But they would, in effect, provide a presence of the central authority within the department, and their reluctance to concur in courses of action proposed by their department heads would not be lightly ignored.

"For these positions — immediate subordinates of deputy ministers and the chief financial and personnel officers — it is proposed that the Treasury Board staff should, whenever the prospect of vacancies or their own assessment of needs dictate, initiate discussions with the department or departments concerned, with a view to securing the most effective use and development of senior administrators throughout the public service. Appointments to such positions should be subject to approval by the Treasury Board.

"In addition to their specific responsibilities relative to these senior positions, the Treasury Board staff would have a general responsibility, in common with the departments, for identifying and developing promising officials in the middle ranks of administration. They must also, in evaluating performance, ensure that the departments themselves attach proper importance to the development and effective use of all their personnel. Moreover, in an organization as large as the public service, there is a constant danger of blind alleys, and particular care must be taken by departmental and Treasury Board staffs to guard against such pockets of frustration and to find new opportunities for able people caught in isolated or uncongenial positions."

Had this concept been implemented and had the Treasury Board Secretariat met its responsibility, the present position might not have arisen.

8.27 Efficient and effective financial management and control depend largely on the level of competence of the people primarily involved. There is absolutely no doubt that an organization as large and as complex as the Government of Canada requires a highly competent, professional accounting staff.

8.28 Recognition of a professional government accounting group, as discussed above, would be of great assistance in strengthening the role of the professional accountant in government, provided the group receives effective leadership. This could be provided through a central agency of the government with the responsibilities, status and independence proposed in the last chapter of this report.

8.29 This chapter emphasizes the need for raising the quality of the financial community, improving its morale and therefore its effectiveness, and re-establishing its importance as a significant component of government administration. The objective is to provide managers with a strong, competent supporting service. This will not diminish the authority or responsibility of managers, but will give them the tools they need to do their job. At the same time, central financial management and control, the need for which is a recurring theme in this report, will be made considerably easier by the existence of a well-trained and efficient financial community.

8.30 *Responsibility for assisting the Public Service Commission in matters related to the training of staff in the financial area, overseeing their career development, and advising on their qualifications for advancement should be assigned to a central agency of the government having the knowledge needed to carry out this role of ensuring that departments are staffed by capable financial personnel.*

IX RESPONSIBILITY FOR FINANCIAL MANAGEMENT AND CONTROL WITHIN DEPARTMENTS

9.1 The Financial Administration Act clearly assigns to deputy heads most responsibilities for financial management and control within their departments. This report in no way seeks to alter these responsibilities which are necessary if deputy heads are to be held fully accountable to the ministers to whom they report, to the Prime Minister who appoints them, and to the Treasury Board representing the collective responsibility for financial administration of the government as a whole. Proposals contained herein are primarily concerned with the need for suitable organizational relationships within departments so that financial personnel are able to provide the support to deputy heads that they need and should expect.

9.2 It is apparent that deputy heads have not recognized sufficiently the extensive degree of their financial authorities under the Financial Administration Act and under authorities delegated by Treasury Board. All too often they attribute weaknesses within their own systems to restraints imposed by central agencies. The practice in the United Kingdom, where “accounting officers” appointed by the Treasury are responsible for safeguarding public funds and for the regularity and propriety of their expenditure, might usefully be adopted by the Canadian government. In Canada, as in the United Kingdom, in applying this practice it would be appropriate to appoint the deputy head as the “accounting officer”. This would formally recognize the extensive authority now delegated to deputy heads under the Financial Administration Act and by Treasury Board. It would also recognize that financial and other management responsibilities are intertwined and can only be integrated by the deputy head, or by an officer of equivalent status. Adoption of this practice in Canada, while perhaps partially symbolic, would emphasize the responsibility of the deputy head for:

- all aspects of financial administration within his department;
- avoidance of waste and extravagance;
- proper staffing, to ensure that the financial authorities he delegates are effectively utilized;
- safeguarding public property of all types; and
- ensuring that charges to appropriations are in accordance with the purposes and terms on which they are granted by Parliament.

9.3 In the United Kingdom, “principal financial officers” are appointed to assist each “accounting officer”. Their influence within departments arises not only from the fact that they have direct access to their “accounting officers”, but also because it is generally recognized that it is their role to ensure that departmental actions can be defended if financial improprieties are raised before the Public Accounts Committee by my equivalent in the United Kingdom, the Comptroller and Auditor General.

9.4 This chapter of the report deals with the organization for financial management and control within departments with primary emphasis on the manner in which financial personnel assist deputy heads and other managers with program responsibility in properly managing and controlling financial resources.

DEPARTMENTAL ORGANIZATIONAL ARRANGEMENTS

9.5 The way the financial function is organized and senior financial officers report varies greatly from department to department. Departmental arrangements include those where the head of the financial function reports:

- directly to the deputy head of the department;
- to the deputy head through a senior administrative officer who is also responsible for a number of other administrative duties, including personnel in a few cases; and
- to the deputy head through two or more levels of senior administrative officers who have progressively broader administrative responsibilities, which invariably include personnel at one or other of these levels.

9.6 Departments falling into each category do not appear to have special characteristics that would indicate why a particular organizational plan was adopted. Possibly the only general conclusion is that departments with highly decentralized operations tend to favour having the financial head report directly to the deputy head. Highly centralized departments feel able to combine administrative functions under a senior administrative officer rather than having the various units report separately to the deputy head.

9.7 Possibly personal capabilities govern reporting arrangements since, almost without exception, the chief financial officer reporting directly to a deputy head is well qualified, usually with professional accounting qualifications. Moreover, departments with this reporting relationship place greater emphasis on giving direction in financial matters to field personnel. This may result from a higher level of skills or it could indicate that financial officers reporting directly to the deputy head are in a better position to influence their colleagues at lower levels within the department.

9.8 Where the departmental officer with the greatest financial competence reports to the deputy head through a senior administrative officer without similar financial competence, it may be that:

- financial management and control concerns will not be adequately expressed at meetings of senior management; and
- the status of the financial staff will be lowered to a point where program officers will not look to them as a source of advice.

9.9 The senior administrative officer responsible for finance need not have professional accounting training in every case. This may well depend on the size and complexity

of a department's programs. Finance may well be combined with other administrative functions under a senior officer responsible to the deputy head. However, if this is done the senior administrative officer responsible for the combined operation must have the qualifications needed to ensure adequate systems of financial management and control and to provide competent advice to the deputy head and his senior staff.

9.10 Ensuring proper budgetary, accounting and reporting systems and internal control procedures requires a significant degree of specialized accounting knowledge. Advising senior program personnel on the financial implications of their plans and on the most effective use of funds requires a broad knowledge of government programs and of budgetary procedures, as well as a knowledge of the procedures of central agencies. Thus, the senior departmental financial officer will require an appropriate combination of training and experience to be capable of handling all aspects of financial management and control.

9.11 The responsibilities proposed for the senior departmental financial officer as outlined later, clearly indicate that the level of competence and experience cannot fall below a certain minimum if the financial duties are to be performed properly. Too many levels of management between the deputy head and the most senior financial officer will inevitably result in a deterioration in the quality of direction to financial staff throughout the department, and may cause competent staff to look for opportunities elsewhere in the hope of finding the leadership they have a right to expect.

9.12 *The senior departmental officer responsible for financial management and control should report directly to the deputy head and be a member of the departmental management committee. He should always have the training and experience to act as the deputy head's adviser on all aspects of financial management and control, and to provide the necessary leadership to all financial staff in the department.*

INTERNAL DIRECTION AND GUIDANCE

9.13 Senior financial officers now put inadequate effort into providing technical guidance to personnel performing financial duties at headquarters or in the field but who are not under their direct supervision. Also, financial officers at all levels do little to assist in selecting, training and evaluating financial and administrative officers who, although not under their direct supervision, carry out the bulk of financial management and control duties by assisting managers with their financial responsibilities at operating levels within departments.

9.14 Few senior financial officers give effective technical direction even in those areas where there are clear opportunities to do so. For example, departmental financial manuals are often inadequate or not up to date, although they have improved recently, thanks largely to the efforts of the Treasury Board evaluation teams examining this and similar areas. Senior financial officers sit on selection boards for recruitment of other full-time financial officers, but they are seldom involved in other activities related to financial staffing. Similarly, there is little evidence of methods of improving communications between

head office and field financial staff. Senior financial officers also need to provide more guidance to department staff carrying out work of a financial nature but reporting to managers outside of the financial function.

9.15 This technical direction or guidance can take a variety of forms, including:

- developing and communicating, through departmental financial manuals, the forms to be used and the procedures to be followed in carrying out specified financial activities;
- communicating information on new financial policies and procedures through manuals and directives, field visits and periodic meetings;
- advising, on request, as to the best method of dealing with financial problems of a non-recurring nature or beyond the competence of the individual concerned; and
- monitoring the performance of financial personnel in the field, as a basis for advising on appraisals of their performance, training, career development and other staffing matters.

9.16 This need for direction in financial matters applies not only to full-time financial staff in the field and in the headquarters units of department programs, but also to other administrators involved to any significant extent in activities of a financial nature.

9.17 Many departments have trouble recruiting the calibre of financial officer they need and in keeping them long enough. The resulting high vacancy and turnover rates have adversely affected departmental financial management and control systems in the following ways:

- when staff shortages develop, essential control and transaction processing procedures get priority over provision of services and information;
- with staff changing rapidly, financial officers do not get a chance to learn enough about departmental programs to give the advice expected of them. Also program managers and financial officers do not get time to develop the mutual respect and confidence needed for a team approach to solving financial problems and developing more effective financial management tools; and
- rapid staff turnover inhibits the development of effective financial systems since the time span for system design, development of procedures and forms, training of staff and implementation may cover several years, with changes often only being possible at specific times within a fiscal year.

9.18 These are not easy problems to resolve. However, they do indicate the need for stronger leadership to compensate for the lack of experienced financial staff in the field

and to ensure proper emphasis on the advisory and innovative aspects of financial management. It may well be necessary to impose tighter controls over expenditures and to decentralize at a slower pace because of the scarcity of qualified financial personnel.

9.19 *Senior departmental financial officers ought to give greater direction or guidance to staff performing financial management and control duties within departments. This should include as a minimum:*

- *comprehensive departmental financial manuals;*
- *personal contacts with financial and other officers to whom they give technical direction, including formal meetings, and periodic field visits; and*
- *participation in the selection, training and evaluation of financial staff, even where they are not directly under their supervision.*

SCOPE OF RESPONSIBILITIES OF FINANCIAL STAFF

9.20 The present system of financial management in departments tends to place more emphasis on keeping expenditures within allotment limits than on making the most effective use of available funds. Obtaining and controlling cash appropriations is the primary preoccupation of financial staff in many departments rather than assisting in managing and controlling financial resources. This lack of concern about the effectiveness or efficiency of spending has been accentuated by the ease with which money can be transferred within broadly defined appropriations, and the extent to which surpluses are available within appropriations under present budgeting methods.

9.21 Because of the procedures they must follow, program managers regard data submitted by them to Treasury Board or furnished to them by the centralized financial reporting system as of such questionable validity that they lack a commitment to adhere to budget proposals or to use information reported by the financial system. Too often managers are not told why their budgets are reduced or how they should modify spending to accommodate these reductions. All this tends to make program managers look on the budgeting process and the review of financial reports as merely academic exercises that detract from their real job — to get on with the program or activity for which they are responsible.

9.22 The responsibilities falling within the ambit of the senior financial officer in almost all departments are too narrowly circumscribed. There is a general lack of recognition within the departments that internal control should permeate all aspects of administration and that the senior financial officer ought to be responsible for ensuring proper financial controls, even in areas where responsibility in other respects is assigned to others.

9.23 Surprisingly, senior financial officers often do not see their role as encompassing the internal control aspects of other administrative areas or else they have been denied any involvement in them. This situation is allowed to continue because of the fact that in many departments the senior administrative officer responsible to the deputy head for the financial function does not have the background that would make him aware of the

importance of proper financial control. Controls over inventories, fixed assets and payrolls in many departments are inadequate. Internal audit programs do not expose those inadequacies since they also tend to be based on the same narrow perception of the scope of financial controls. Senior financial officers need greater responsibility for ensuring that adequate financial controls exist with respect to inventories, fixed assets, revenues, payrolls and similar areas that may not be under their direct supervision.

9.24 The growing emphasis on the development of sophisticated management information systems, and the greater use of computers for all data processing purposes, may lead to a tendency to move away much of the routine record keeping related to accounting, budgeting and management reporting from the direct supervision of financial officers. This should not lessen in any way their responsibility for the effectiveness of the financial information system and for the usefulness of the information generated for it through these outside sources.

9.25 If there is to be greater accountability for public funds, as this report advocates, the role of the senior financial officers in departments must change. Deputy heads and other senior personnel must be able to look to them to ensure that operating budgets of managers provide an effective basis for budgetary control, and that financial reports disclose variances that are significant for purposes of management action.

9.26 The responsibilities suggested for a senior departmental financial officer are designed to reflect the objective of having him serve as:

- the senior financial adviser to the deputy head and senior program managers;
- the senior officer responsible for departmental systems of financial administration; and
- an independent monitor of what is done by other departmental personnel, to ensure financial probity and the accurate disclosure of information on financial plans and results.

9.27 As an example of this monitoring role, the senior departmental financial officer should have responsibility for signing departmental budgetary submissions and financial statements to indicate that he is satisfied the submissions and statements are accurately and fairly presented.

9.28 Other responsibilities that should be carried out by financial officers are:

Operations

- designing and operating accounting and financial reporting systems;
- designing and keeping up to date the departmental classification of accounts;
- forecasting cash requirements; and

- co-ordinating and consolidating information for Program Forecasts, Estimates and Public Accounts.

Advice

- advising the deputy head and program managers on their needs in the area of financial administration and on the financial implications of their plans and decisions;
- supporting the deputy head in meetings with outside agencies, such as the Treasury Board and the Public Accounts Committee;
- interpreting legislative, regulatory, and other financial requirements of Parliament and the central agencies; and
- co-ordinating and assembling financial data for use in preparing budgets.

Control

- reviewing budgetary submissions to verify costs and adherence to instructions;
- developing appropriate output and performance measures;
- analysing variances between budgeted and actual figures in relation to revenues, expenditures and measures of performance;
- maintaining records to ensure appropriations and allotments are not exceeded;
- ensuring that the department's system of financial control provides for adequate division of duties and covers all departmental revenues, expenditures and assets;
- directly exercising payment authority under Section 26 of the Financial Administration Act; and
- advising on the scope, coverage and results of financial audits.

Direction

- giving technical direction on financial matters to financial officers and to administrative officers carrying out financial responsibilities in program headquarters and field offices;
- providing guidance on the organization, staffing, training and evaluation of financial officers providing services to operating managers at all levels of the department;
- ensuring that departmental financial manuals are complete and up to date and are distributed to all staff needing them; and
- developing instructions for budget preparation, including forms, time-table and cost data.

9.29 *Senior departmental financial officers ought to be given responsibility for:*

- *providing budgetary, accounting and financial reporting services;*
- *ensuring that adequate financial controls exist on all assets and financial transactions;*
- *advising and supporting deputy heads and their staff in all matters pertaining to financial management and control;*
- *developing, monitoring and controlling budgetary allocations through analysis of financial reports and ensuring the adequacy of the systems used in their preparation; and*
- *furnishing technical direction and guidance to all personnel within departments responsible for these duties.*

APPOINTMENT OF FINANCIAL OFFICERS

9.30 A deputy head is accountable for the adequacy of his department's financial management and control systems. The Financial Administration Act also spells out a number of specific matters for which a deputy is responsible. The Act emphasizes the control aspects by making the deputy head responsible for seeing that allotments are not exceeded, that sufficient unencumbered funds are available to discharge commitments, and that all requisitions for payment are lawful charges against the appropriation concerned.

9.31 The Glassco concept of giving departments much greater leeway in controlling the disposition of funds appropriated for their use by Parliament was intended to increase the authority of deputy heads. However, Glassco also suggested: "The granting of greater working freedom to departments must be accompanied by two restraints. First, departmental managers must work within common policy guidelines laid down by Treasury Board. Second, the Treasury Board should concur in the appointment and participate in the development of the careers of the senior financial officers of each department and agency".

9.32 Although Treasury Board has issued a Guide on Financial Administration the Secretariat plays virtually no part in financial officer appointments which fall almost entirely within the responsibility of departments subject only to the approval of the Public Service Commission. At present, Treasury Board has only limited ability to ensure that its instructions are respected since senior finance officers lack what Glassco advocated — "the sense that their future career rests primarily — though not exclusively — on the assessment of their performance by the staff of the Treasury Board, rather than on their ability to please the heads of their departments".

9.33 Proposals in the next chapter of this report are intended to strengthen financial management and control at the central level. However, they will do so only if central agencies can rely on the data and systems of individual departments. The Treasury Board Secretariat, even with implied sanction of withholding funds, has not succeeded in obtaining an adequate standard of financial management and control. Non-implementation of the Glassco recommendation, which was designed to enable Treasury Board to

influence the careers of financial officers, may be one of the principal reasons for the present unsatisfactory situation. A central agency will lack an essential means of ensuring that its instructions are carried out unless it plays an active role in the appointment of senior financial officers of departments, and they, in turn, influence the appointments of those to whom they give direction. This would best be achieved through co-operation with the Public Service Commission.

9.34 This is not intended to reinstate the situation that existed before 1969 where departmental treasury officers reported to the Comptroller of the Treasury. Deputy heads would still have the right to say who should advise them. Recommending that the appointment of senior financial officers be subject to Treasury Board concurrence, Glassco said "it should be emphasized that the departmental finance officers would not be officials of the Treasury Board simply by virtue of conferring on the Board a voice in appointment". The appointment of a senior departmental financial officer gives a stronger resource to a deputy head and in no way erodes either his authority or his responsibility.

9.35 *The Public Service Commission ought to appoint senior departmental financial officers only after consultation with appropriate central agencies to ensure that recognition is given to the qualifications and performance of the persons recommended by deputy heads. Appointments of other financial officers ought to be made within departments only after similar consultation with senior departmental financial officers.*

X NEED FOR STRONGER CENTRAL DIRECTION

10.1 Previously in this report, a number of proposals have been made which call for either action or study by a central agency. These include:

- studying the form and content of the Estimates and co-ordinating the Public Accounts with them;
- improving the budgetary process through clearer communication of objectives and priorities, cyclical reviews of all programs, quality data, and better communication and documentation of procedures, and training therein;
- approving and periodically reassessing departmental budgetary control and financial reporting systems;
- studying the means to improve the accuracy and timeliness of accounting and reporting systems;
- reviewing and approving financial control aspects of all departmental systems involving expenditures, revenues and assets;
- prescribing standards for departmental financial audits;
- conducting several studies of personnel systems affecting the staffing of the financial function; and
- assisting in the training and career development of financial staff and advising on their qualifications.

This emphasis on central, as compared to departmental, responsibilities reflects the fact that this report deals with central responsibilities or matters of government-wide interest. These government-wide issues were excluded from reports to deputy heads of departments and agencies because unilateral action was neither feasible nor desirable.

10.2 In 1962, the Glassco Commission recommended a substantial rearrangement and decentralization of responsibilities for financial management and control to departments, with consequent modifications in the responsibilities of the Treasury Board, its Chairman, its Secretary, the Department of Finance and the Comptroller of the Treasury (at the time an officer of the Department of Finance likened by Glassco to a “a policeman patrolling the departments to ensure financial rectitude”). It is readily apparent in comparing the findings in this report with Glassco’s that, whereas Glassco found financial responsibilities excessively centralized, many current deficiencies result from decentralization without effective central direction.

10.3 The range of the deficiencies this report describes indicates a need for stronger central direction if a higher standard of financial management and control is to be achieved in future. This chapter concludes the report by examining the manner in which

central responsibilities are now exercised and by describing how such central direction might be better provided.

PRESENT ASSIGNMENT OF CENTRAL RESPONSIBILITIES

Treasury Board

10.4 Glassco recommended that the Treasury Board, as a committee of Cabinet, should be headed by a Minister responsible for the co-ordination of programs and for the general management of the Public Service but with no departmental responsibilities. Glassco visualized as “serving the Board — and, when necessary, Cabinet itself — the Secretary and a compact highly qualified staff”. As to the latter, Glassco saw three main divisions identified as:

- “A program division, concerned with the analysis of program, the review of departmental estimates, and the framing of general standards of administration.
- “A personnel division, concerned with personnel policy and standards of personnel management, and staff relations in the public service.
- “An administrative improvement division to stimulate and guide an urgently needed program of continuous improvement in operating systems and procedures throughout the machinery of government”.

In addition, the staff of the Treasury Board would share the tasks of “reviewing the plan of organization of the government and identifying necessary adjustments, of appraising the performance of departments and the abilities of senior administrators, and generally of fostering improved management and strong administrative leadership throughout the public service”.

10.5 The Financial Administration Act assigns statutory responsibility for financial administration within the Government of Canada. It gives the Treasury Board many, but not all, central responsibilities for ensuring adequate financial management and control. Section 5 sets out broad general responsibilities for financial management and accounts. Section 6 defines the regulatory power in respect of certain of these responsibilities. More than 20 other sections give the Treasury Board authority to issue regulations, to take specific action, or to make recommendations to the Governor in Council. Many of these responsibilities, some of which date back to the original Act in 1951, have never been exercised.

10.6 The existence of the Comptroller of the Treasury may explain the reason for Treasury Board’s inaction until 1969. Staffs of the Comptroller and of Treasury Board were closely related to each other since both were employees of the Department of Finance until 1965. The Comptroller of the Treasury supplied departments and agencies with most of the financial services that they had available. Also he could reject any requisition for payment from the Consolidated Revenue Fund if he decided that it was not a lawful charge, would result in a payment in excess of an appropriation, or would leave a balance that would not

be sufficient to meet commitments charged against it. Thus, the Treasury Board had little need to issue regulations or other instructions. In fact, the Comptroller's own manual, rather than any Treasury Board instructions, served as the main source of instruction on financial management and control.

10.7 In 1969 the situation changed. Amendments to the Financial Administration Act made deputy heads of departments and agencies primarily responsible for financial management and control. The position of the Comptroller of the Treasury was abolished, with his staff forming the nucleus for the Services section of DSS which supplies services in the financial area principally at the request of the departments served. It would appear that Treasury Board did not react to the changes at the time, except to issue such regulations as were necessary to provide for the new relationship between DSS and departments and agencies.

10.8 About the same time, the internal organizational arrangements recommended by Glassco for Treasury Board were changed with the disbanding of the Management Improvement Branch, which had played the role of Glassco's "administrative improvement division", and the creation of two new branches: the Planning Branch and the Administrative Policy Branch. As a result, financial management and control responsibilities became divided among three branches:

- Program, for resource allocation and budgetary control;
- Planning, for a broad range of planning and evaluation techniques, including internal audit; and
- Administrative Policy, for all other financial management matters.

10.9 As one of its first major endeavours the new Administrative Policy Branch reviewed the quality of financial management and control in a sample of departments. This led to the issue in 1973 of the Guide on Financial Administration for Departments and Agencies of the Government of Canada. It set out, as stated in the foreword, "a course of action for deputy heads to follow in discharging their responsibilities for financial administration". In 1974, the Branch began an evaluation of departmental adherence to the directives and guidelines contained in the Guide, and became increasingly active in encouraging improvements in financial administration in line with them.

10.10 The Board in late 1974 appointed an Assistant Secretary, Financial Administration, within the Administrative Policy Branch. This officer's staff recommends financial administration policies for Board approval, and evaluates departmental financial systems. He is not, however, involved in instructions to departments regarding budgetary submissions to Treasury Board or for advising on authorities granted to departments through annual and other appropriations giving specific statutory authority for actions which often are exceptions to the general requirements of the Financial Administration Act. Budgetary submissions to Treasury Board provide the basis for most departmental budgetary processes, and govern most of their other financial processes, but the Assistant Secretary,

Financial Administration is not generally consulted to ensure that budgetary procedures and proposals give adequate consideration to matters of financial control. Even though OPMS is an important means for budgetary control, as well as for resource allocation, it remains a responsibility of the Planning Branch which developed it. Thus, three branches of the Secretariat share responsibility for the matters which are the subject of this report.

Department of Supply and Services

10.11 The Services component of DSS provides a wide range of services to departments on request, including data processing, accounting, auditing and financial. In this service role, DSS may become aware of departmental practices which contravene parliamentary and Treasury Board instructions but it is not, as a service agency, in any position to stop or draw attention to them. As a result, neither Parliament nor Treasury Board can expect it to enforce instructions if a deputy head wishes to ignore them.

10.12 The Minister of Supply and Services serves also as Receiver General for Canada. The Minister has direct responsibility for cash receipts in to and cash disbursements out of the Consolidated Revenue Fund, and for the central accounts of Canada, as well as for the preparation of the Public Accounts. These responsibilities, however, are not the Minister's alone. The law assigns to the Minister of Finance responsibility for managing the Consolidated Revenue Fund, the form of the Public Accounts, and the accounts to be kept in respect of assets and direct and contingent liabilities. Accounts in respect of expenditures, revenues and other payments in to and out of the Consolidated Revenue Fund are subject to Treasury Board regulations.

Department of Finance

10.13 The law does not set out as clearly the Department of Finance's responsibilities in the area of financial management and control. Generally, it can be said that, despite statutory responsibilities assigned to the Minister of Finance, the Receiver General's staff is responsible for the day-to-day operation of the Consolidated Revenue Fund, and produces the Public Accounts and the government's financial statements. However, the Finance Minister's role as the principal financial adviser of the government means that his views and those of his department seldom are ignored. When the Treasury Board's Secretariat and the Office of the Comptroller of the Treasury formed part of the Department of Finance, the formal lines of responsibility clearly led to the Minister of Finance. Today two other ministers and their departments share responsibility.

NEED FOR UNIFYING CENTRAL RESPONSIBILITIES

10.14 For financial controls to be improved in the manner envisaged in this report, leadership is required from a central agency. Responsibility for central direction could continue to be provided by several central agencies as at present, but it is clear that, if controls are to be co-ordinated and present deficiencies are to be remedied, responsibilities should be unified wherever possible within a single central agency.

10.15 The findings of this report make clear the responsibilities that should be exercised by a central agency. These involve recommending to Treasury Board, policies, directives and guidelines, in all areas of financial management and control, providing interpretations thereof to departments, evaluating departmental financial control systems, and providing leadership to financial staff throughout the government. This includes:

- advising on the content of the Estimates from the viewpoint of budgetary control and financial reporting;
- co-ordinating the content of the Public Accounts so that consistency between the Estimates and Public Accounts is achieved;
- advising on the accounting practices authorized by appropriations, and other legislation and which must be followed in preparing the financial statements of Canada;
- approving and monitoring departmental budgetary control, financial reporting and cost measurement systems;
- preparing government-wide analyses of significant variances between planned and actual financial performance;
- prescribing central requirements for accounting information and assessing the structure of accounts used by departments in budgetary and financial reports;
- setting standards for and monitoring performance of internal audits of financial compliance and operational efficiency; and
- advising the Public Service Commission on qualifications of financial staff, and co-operating in their training and career development.

This listing of responsibilities demonstrates the close relationship between budgetary and other financial control processes: the Estimates govern the Public Accounts; they provide the basis for budgetary control reports; and they determine the nature of much of the information kept in the accounts.

Unification within the Treasury Board Secretariat

10.16 Treasury Board now has primary statutory responsibility for financial management throughout the government. Therefore it is the most logical existing central agency to provide more effective central direction. Governments often combine responsibility for financial controls in a central budgetary agency in the belief that it has the reason and the means to cause effective action: the reason is that controls may lessen resource demands; the means is that funds can be denied to departments demonstrating lax controls.

10.17 Glassco appears to have believed that, once his organizational proposals were implemented, the Secretary of the Treasury Board would assume responsibility for giving central direction in matters of financial controls. The facts indicate, however, that no Secretary since then has fully assumed this role. While many factors may have contributed

to this, the weight of the Secretary's many other responsibilities would be justification enough.

10.18 The Program Branch, at the time of Glassco, exercised most of the Board's responsibilities for financial management and control. Budgetary control responsibilities remained with it when the Management Improvement Branch was created, thus perhaps explaining the latter Branch's treatment of financial management as no more important than paperwork procedures, operations research, and other administrative techniques. Only one or two relatively junior officers were assigned to work in the area. When the Planning and Administrative Policy Branches were created, most financial management and control responsibilities were assigned to the latter, although the Planning Branch took on responsibilities formerly falling within the scope of financial management, involving planning, information system and audit type functions.

10.19 As a result, three branches of the Board's Secretariat now share responsibility for giving central direction in matters of financial management and control and only the Secretary can co-ordinate these activities. Branch Deputy Secretaries are given considerable leeway in managing their branches, and as a result, the Secretariat sometimes appears in the eyes of departments to give conflicting directions. If the Treasury Board is to give stronger central direction, responsibility should be unified at some point other than the Secretary himself, since the Secretary's many other important responsibilities make it unlikely that he will be able to give financial management and control the attention they require.

10.20 The findings of this report demonstrate as probably the most major deficiency the fact that budgetary control is not effective either centrally or within departments. Any remedies for this depend on plans being more explicitly stated when resources are allocated. Thus, the consolidation of resource allocation and control responsibilities within the Program Branch of the Secretariat may appear to make most sense.

10.21 The facts indicate, however, that the Program Branch which has had responsibility for budgetary control has not been very active in giving direction:

- vote wordings and statements of objectives contained in the Estimates have progressively become so general that they fail to provide a useful means of control by the Board and Parliament over departmental spending;
- data are accepted in budgetary submissions with little follow-up to determine the degree of reliability in relation to recorded expenditures;
- the subject of allotment control which was covered in a separate chapter in an earlier manual was omitted when the Program Forecast and Estimates Manual was prepared a decade ago; and
- no reports on actual expenditures are required by the Branch for monitoring departmental expenditures in relation to the Estimates.

The reasons for this lack of interest may be: the program and policy orientation of the Branch, a recognition that resource allocation decisions are often facilitated by leaving purposes for which funds are required vaguely or generally stated, the lack of financially trained program analysts, the pressure of other responsibilities, or a belief that the Branch had no means of taking action if departments choose to ignore plans contained in Program Forecast and Estimates submissions.

10.22 In the private sector, decisions on the allocation of resources among competing programs are made by the executive of an organization. Once decisions have been made, the chief executive relies on his chief financial officer to monitor expenditures and to report to him variations from plan.

10.23 Good financial control requires an appropriate division of responsibilities. The degree of division of responsibilities is of course a matter of judgement and a function of the size of an organization. Better control, however, would obviously result if responsibility for budgetary control were assigned to staff other than those who review departmental requests in the first place. This also increases the likelihood that budgetary control would receive the attention it warrants.

10.24 The unification of responsibilities listed above would add to the Board's duties the responsibility for accounting and reporting practices now assigned to the Department of Finance. Finance, however, would continue to exercise its responsibility for managing the government's cash balances. The Receiver General would remain in charge of banking arrangements, including controlling cash receipts and cheque issue. Thus, there would be relatively little change in the responsibilities of the other two departments, except that the Board through its Secretariat would assume primary responsibility for establishing the accounting practices governing government-wide financial reports, including the Public Accounts.

10.25 The unification of responsibilities would also result in some changes in the manner in which responsibilities are assigned within the Secretariat. Two options are possible. One would be to consolidate within a new branch responsibilities now shared by the Program, Planning and Administrative Policy branches; the other would be to leave responsibilities allocated to the several branches but appoint a senior officer to co-ordinate their activities. Either approach would unify responsibilities and provide better co-ordination. The officer responsible for financial management and control under either alternative would be able to ensure that there is adequate financial disclosure of departmental programs, effective control of appropriations, adherence to Treasury Board requirements, and probity and prudence in the utilization of public funds.

10.26 The need to provide more effective central direction would obviously result in some increase in Treasury Board staff. A limited number of senior financial officers would be required to work with program analysts in verifying Estimates data, in reviewing monthly financial statements, and in preparing such analyses as are required by the Board

itself or by analysts. Some strengthening would also be required of those now evaluating departmental systems or working in the policy area. While, in total, their numbers would not be great, this would result in a significant expansion of the Secretariat, a consequence that should not be ignored in view of the fact that it is obviously desirable to keep the Secretariat as small as possible so that administrative problems do not get in the way of the more vital policy roles to which the Secretariat must give priority.

Unification within another central agency

10.27 Responsibility for providing central direction, before the Glassco-instigated organizational changes, was clearly centred in the Minister of Finance. He was chairman of Treasury Board and the Secretary of the Board was a member of his Department; the Comptroller of the Treasury reported to him and his staff were also members of the Finance Department.

10.28 Some governments and some organizations in the private sector assign financial control responsibilities to a finance department since this combines the function of obtaining funds with controls over their utilization. Such an arrangement makes most sense when revenues and expenditures have to be kept in balance. Today, while advice on fiscal policy originates in Finance, ultimate responsibility for determining the levels of expenditures and revenues and the balance between the two rests with Cabinet and its Committee on Priorities and Planning. Thus, placing greater responsibility for financial control in the Department of Finance does not have the same advantages, particularly since few financial control responsibilities remain there today.

10.29 Placing additional control responsibilities with the Services component of the Department of Supply and Services would also be undesirable since it would be inconsistent to provide services to deputy heads and at the same time to exercise controls over them in related matters. Moreover, the large number of clerical and administrative staff which DSS requires to provide services would tend towards the types of clerical controls that characterized the Office of the Comptroller of the Treasury and which undermined the authority of deputy heads and the sense of responsibility of their financial staffs prior to 1969.

10.30 If the Treasury Board Secretariat does not assume the central leadership role in matters of financial management and control, it would be better to create a new central agency headed by a person reporting directly to a minister of the government. This has the disadvantage of creating a new agency with continuing needs for co-ordination of responsibilities, as well as the additional costs it might entail. However, it has the advantage of ensuring that the financial function would receive the attention of a minister and that the agency would not be distracted by the pressure of competing responsibilities. If this course of action were chosen it would be essential that the head of the agency be regarded as the senior official of the government in all matters of financial management and control. Close relationships would be required with the Treasury Board's Program Branch to co-ordinate the resource allocation process with financial control functions. The Board in all other respects should not seek to build up an independent capacity to monitor departmental

expenditures and to review departmental control systems, but should rely on the new agency as its primary source of advice on financial control matters.

EFFECTIVE LEADERSHIP

10.31 Whatever organizational arrangement is adopted, the senior officer responsible for financial management and control in the Government of Canada should have a status which makes it appropriate for him to have direct access to deputy heads and they in turn to consult him without fear of offending their financial advisers. In addition, the responsible officer should be senior enough to permit him to give technical direction to senior financial officers of departments on matters affecting the government as a whole.

10.32 Status alone will not ensure that the direction given will be that required. The person must also have the experience and knowledge necessary to be able to influence deputies and their staffs. He should:

- have exercised both operating and financial responsibilities during his earlier career either within or outside government;
- be recognized as a leader within the financial community in government; and
- have demonstrated the wisdom required to counsel on policy matters.

10.33 In addition the incumbent should not regard the position of the chief financial officer of the government as a stepping stone to other jobs. If he is to be responsible for reviewing departmental systems and performance, he must be able to do so without concern for any adverse affect this may have on his future career. This objective would be attained only if the position were one that would be regarded as the pinnacle of a person's career.

10.34 The major thrust of the responsible organization should be to provide leadership to departmental financial officers, who should be the main source of information required. If a large central staff should result, this may indicate that the central agency has adopted a policy of detailed intervention in departmental financial processes rather than providing the leadership that is required.

10.35 It is recognized that staff of the type required to provide effective central direction will be difficult to find and retain, particularly since departments now have many vacant positions and are having difficulty filling them. The organization's first duty should be to attract and train staff with the necessary qualifications, and then to improve the overall quality of financial services in departments and agencies through a program of career development for financial officers in the government as a whole, involving periods of experience in both departments and central agencies.

10.36 *All the recommendations in the report have as their objective the improvement of financial controls. The more significant ones, either specifically or by implication, recognize the*

need for a central agency to supply overall direction. It is clear that if controls are to be co-ordinated and are to operate effectively, responsibility for the following activities should be clarified and unified wherever possible:

- *recommending government policies, directives and guidelines in the area of financial management and control, and providing interpretations thereof;*
- *advising on the form of the Estimates and Public Accounts;*
- *assessing departmental program and activity structures, and cost and other measurement systems in support of them;*
- *approving and monitoring departmental budgetary control, financial reporting and financial control systems;*
- *providing analyses of variances between planned and actual financial performance;*
- *establishing standards for and monitoring internal audit practices within departments and agencies;*
- *establishing the accounting practices governing the financial statements and Public Accounts of Canada; and*
- *assisting the Public Service Commission in the selection, training and career development of financial staff.*

FINANCIAL MANAGEMENT AND CONTROL STUDY

APPENDIX CONTAINING REPORTS TO DEPARTMENTS AND AGENCIES

INTRODUCTION

The financial management and control study involved examining 28 departments and agencies. The observations and recommendations reported to each deputy head, and their responses thereto, are attached.

Each department and agency was reviewed by an audit team which examined departmental procedures in depth, interviewing a sample of departmental managers including line managers and most senior officers involved directly in providing financial management and control services. Since this study was designed to be a systems review, examination of financial records and individual financial transactions was limited to what was necessary to understand and check information obtained from departmental documentation and interviews. Therefore the reports to departments primarily contain observations and recommendations concerning systems, and not specific transactions which may have come to the attention of the audit teams.

Interim reports setting forth our findings, analysis and recommendations were submitted to each department and agency. Following meetings with the deputy heads and their senior financial advisers to verify findings and to discuss observations and recommendations, summaries were prepared to which departments were asked to respond. These summaries and departmental responses as agreed to by deputy heads are printed in full in this appendix.

All programs and entities of each department or agency were covered in the review, except where the summary states otherwise.

In reviewing these summaries the following matters should be noted:

- the summaries contain a listing of system deficiencies. The length of this listing does not provide any indication of the relative quality of the systems of various departments, but rather reflects the style of reporting of some sixteen different teams;
- the summaries do not make any reference to those areas where departmental systems are well designed since the object of the study was to identify weaknesses and indicate possible corrective actions;
- matters viewed as being attributable to inadequacies in, or constraints imposed by government-wide personnel, budgetary, financial reporting and other administrative systems are not dealt with extensively in these summaries since it was felt that departments could not be expected to take unilateral action in these situations;

- the order of presentation of observations and findings does not correspond to that used in the main part of the Supplement, since the latter was arrived at after many of the summaries had been provided to departments;
- emphasis in the summaries is placed on recommendations. Where the recommendations do not sufficiently explain the problem, a separate paragraph precedes one or more recommendations. Departments were asked to reply only to the recommendations;
- no attempt has been made to verify that the actions indicated in departmental responses have been taken or that they have been effective in remedying the shortcomings contained in our observations and recommendations.

These summary reports to departments should be read in context of the full Supplement. The major deficiencies in financial management and control procedures identified in the summary and the main body of the Supplement apply to most departments and agencies.

DEPARTMENT OF AGRICULTURE

Observations and Recommendations as at November 1974.

Departmental Comments as at March 1975.

Our study of the Department of Agriculture was confined to:

The Administration Program

The Research Program

The Production and Marketing Program

The Health of Animals Program

The Race Track Supervision Revolving Fund

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

ORGANIZATION AND STAFFING

- The scope, quality and potential effectiveness of financial management in the Department is impaired by high turnover and by difficulties in filling vacant financial administration positions with experienced and qualified persons. This situation could be improved by the clearer definition of the financial function with an increase in the authority, responsibility and career prospects of persons performing financial functions.

The Department should ensure that adequate financial staff is available to perform an effective innovative management-support function by:

- (a) increasing the strength of, and perhaps re-organizing, the financial function; and
- (b) giving recruiting efforts high priority.

The Department is now operating on the basis that program line managers have full responsibility for financial administration of their operations and that necessary improvements to the system of financial management and control can be implemented within the existing decentralized organizational structure if suitable financial staff can be retained. The Department will give consideration to appropriate organizational alternatives and adjustments and currently is giving high priority to recruiting and reviewing classification levels of financial officers and implementing other staffing actions.

FUNCTIONAL RELATIONSHIPS

- Senior financial officers do not always participate in personnel management actions affecting financial or other officers performing financial functions on behalf of operating managers. Functional authorities and responsibilities are not clearly defined in departmental manuals and in organization charts, which results in inconsistencies in the scope and quality of financial services and difficulties in responding to and implementing new accounting, control or financial information requirements.

The functional reporting relationships among senior financial officers and their functional subordinates should be strengthened, clarified and formally documented particularly with respect to:

- (a) position descriptions;
- (b) classification decisions;
- (c) performance evaluations;
- (d) career planning and professional development; and
- (e) review and determination of priorities, goals, staffing requirements and budgets.

**FINANCIAL FUNCTION OF THE
PERSONNEL BRANCH**

- Identified deficiencies in the system of financial controls over payroll preparation and the accounting and reporting of payroll costs and man-year utilization data appear to be primarily attributable to the sharing of responsibilities for these functions among financial, personnel and administrative officers.

The system of financial controls operated by the Personnel Branch, and all amendments thereto, should be subject to continuing review and approval by the Senior Financial Officer. In particular:

The functional responsibility of senior financial officers at the program level will be clarified and formally documented. Steps will also be taken to ensure adequate participation by the Director of Finance, or his delegate, in the various personnel management actions affecting financial officers reporting to operating managers.

A review of the system of financial controls operated by the Personnel Branch, beginning with Area Personnel Offices and the delegation of authorities, is under way. A new manpower staff reporting system was implemented in February 1975 and improvements to this system will continue to be developed.

OBSERVATIONS AND RECOMMENDATIONS

- (a) responsibility centre managers should be required to give spending authority on Extra Duty Pay Certificates and the Personnel Branch should perform the appropriate check to ensure that delegated authorities in this regard are adhered to;
- (b) internal audit should review the payroll process; and
- (c) the payroll and man-year accounting systems should be effectively integrated with the principal accounting, financial reporting and budgetary controls of the Department.

FINANCIAL MANUAL

- The existing financial administration manual is not complete. For example, it does not include and is not cross-referenced to:
 - (a) concise statements of the financial responsibilities of those persons involved in the system of financial management and control;
 - (b) financial management and control procedures documented in administrative circulars and manuals or personnel and payroll memoranda;
 - (c) program forecast and budget preparation procedures and controls; and
 - (d) systems of internal control applicable to special situations such as revolving funds, inventories, or grants and contributions.

The financial manual should be extended, using supplements for each program where appropriate, to include topics not now covered and to comply with the Treasury Board guidelines.

DELEGATION OF AUTHORITIES

- Under the present system of delegated authorities, a financial transaction could be initiated and approved by one officer and not be subject to an independent check and authorization by a second officer.

DEPARTMENTAL COMMENTS

Effective integration of this internal system with the principal accounting and reporting system, however, is a more complex matter and a longer term objective. The Department is also considering other possible alternatives in connection with man-year accounting systems.

The Department has been continuously developing its financial manual over the years. It is recognized that the manual is not complete and continued efforts will be made to improve and upgrade it in response to requirements identified by internal and by central agency reviews.

OBSERVATIONS AND RECOMMENDATIONS

The delegation of authorities should be revised in accordance with Treasury Board directives and guidelines.

DEPARTMENTAL COMMENTS

The system of delegating authorities was reviewed by the Treasury Board and the Department in 1974. The Department is currently developing revised procedures to rectify identified deficiencies and to comply with Treasury Board directives.

ACCOUNTING CONTROLS

- There are certain deficiencies in the overall purchasing/payment cycle due primarily to inadequate segregation of duties associated with the processing of documentation and other controls. As a result, there is a risk that fraud, error or incomplete data could go undetected.

The system of accounting controls should be amended to ensure accuracy and authority and an appropriate degree of completeness of all data in the accounting system. In particular there should be adequate evidence, independent check and accounting control to ensure that:

- (a) prescribed controls are being adhered to;
- (b) potential fraud, errors and omissions would be detected; and
- (c) transactions are recorded in the appropriate accounting period.

The Department will be reviewing in detail certain aspects of its accounting controls and will implement the necessary improvements as quickly as possible.

REVENUE POLICIES

- No regular review is made to identify instances where it might be appropriate to introduce a fee for services now provided without charge, or to increase fees where current rates are either out-of-date or are nominal in relation to the cost of the services provided.

The Department should establish a comprehensive system of regularly reviewing the appropriateness of current fee schedules and ensuring that senior departmental management and Treasury Board are kept fully informed as to the financial significance of current policies and the potential need for revisions.

This matter was raised by a Treasury Board evaluation team in the spring of 1974 and the Department has prepared draft procedures for implementation in 1975.

**INTERNAL CONTROL OVER REVENUES
AND ACCOUNTS RECEIVABLE**

A lack of appropriate segregation of duties, so that one clerk maintains an independent control on the accuracy and integrity of another, is the most common of a number of types of identified deficiencies in most of the systems of internal control over billing, accounting for, collecting and depositing revenues throughout the Department.

The senior financial officer should undertake an in-depth review of the effectiveness of all the systems of internal control over revenues and accounts receivable with particular emphasis on the adequacy of the division of duties.

The departmental accounting manual prescribes the basic division of duties inherent in controls over revenue and accounts receivable. However it is recognized that, at the operational level, these controls are often not properly interpreted and applied. This point was also raised by a Treasury Board evaluation team in 1974 and, as a result, departmental procedures are being revised to make them more comprehensive and complete. A continued audit review of this area is also being carried out and will continue to be given emphasis in the future. The Department feels that this problem can be most effectively resolved by improving procedural directives (as indicated above) and by dealing with specific deficiencies or problems identified through the audit program.

CAPITAL EQUIPMENT

- There should be a specific control to ensure that, at the time of purchase, each item of capital equipment is recorded in the otherwise comprehensive subsidiary systems accounting for these assets.

While the Department does not view this as a high priority item, it will consider the feasibility of implementing improved controls over subsidiary systems.

**INVENTORIES OF SUPPLIES AND
LIVESTOCK**

The Department has significant inventories, which are attractive and marketable or of material value in relation to the budgets of the responsibility centres concerned, which are not under independent accounting or budgetary control. There are inconsistencies in the purpose, mechanics and content of the Agriculture Revolving Fund and the amounts included in it are not material in relation to the total budgets of the programs involved.

The Department should:

OBSERVATIONS AND RECOMMENDATIONS

- (a) establish independent accounting controls over major inventories; and
- (b) wind up the Agriculture Revolving Fund.

DEPARTMENTAL COMMENTS

(a) The Department will pursue the question of establishing independent accounting controls over major inventories in those circumstances where such controls will be beneficial and practicable.

(b) The Agriculture Revolving Fund was established to serve an important need for short-term funds for the purchase of experimental animals, the multiplication of new crop varieties and to finance other specified revenue-producing activities.

The Fund continues to meet these needs effectively, although its performance has become distorted over the years through presentation in the Public Accounts of "Statements of Operations" which introduce memorandum entries of overhead and operational expenses properly charged to other appropriations. There is the further anomaly that the name of the "Revolving Fund", approved by Parliament for specific purposes in 1952, is not fully in accord with currently-accepted definitions of revolving funds promulgated in the Treasury Board's Policy on revolving funds and working capital advances in 1970. The Fund is reported in the Public Accounts as a working capital advance.

The Department is prepared to respond to any valid audit observations or direction for improved administration and accounting relative to this Fund, or to change the name of the Fund if necessary, but does not agree that it should be closed out.

INTERNAL AUDIT

Internal audit reports to the Director of Financial Administration. Many of its recommendations are not being promptly implemented and insufficient audit coverage has been carried out on the headquarters financial operations and the payroll systems. Where weaknesses in the financial control systems have been identified, internal audit lacks the staff resources to extend its examinations to ensure that undetected fraud or error does not occur.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

The Department should establish an audit committee and should expand the present audit review over the financial controls within the Financial Administration Division, the Personnel Branch and the Program Accounts Offices.

An audit committee, or alternative measures to ensure the objectivity of internal audit and an effective executive response to their recommendations, will be established. The Department is well aware that audit coverage requires expansion and in fact current and future plans provide for increased coverage in those areas mentioned. However, as with other financial staff, qualified auditors are difficult to recruit and retain and expansion of staff is contingent upon the availability of additional resources obtainable through the program forecast submission. As in the past, available audit resources will have to be concentrated in these areas considered to be of the highest priority to management.

PROGRAM/ACTIVITY STRUCTURE

The program/activity information presented in the Estimates and Public Accounts is of limited usefulness and may not be contributing to effective parliamentary understanding and control. This information is not founded on the basic projects and processes (activity elements) which represent the fundamental operations of the Department. The system of budgetary control has not adequately supported other efforts to integrate the concepts of Planning Programming and Budgeting, Management by Objectives and Operational Performance Measurement based on identifiable activity elements.

In accordance with the Treasury Board Directive, the Department activity structures should be further sub-divided where appropriate to the point where the basic or lowest levels, the activity elements, identify the cost of the processes and projects, or both which are carried out to attain a programs objectives.

The classification of accounts should be refined so that it can provide all cost data for budgetary control and other purposes, thereby obviating the need for supplementary costing systems to identify commodity, project or process costs.

A special study team will be established to consider further sub-division of the present activity structures.

BUDGET PREPARATION AND CONTROL

The system of budget preparation and review is overly dependent on the abilities, experience, integrity and personal style of the individuals involved in the process. There is a lack of central direction, of documented evidence, of communication of management decisions and priorities and of meaningful information to support an effective review of new and continuing programs.

The detailed budgets resulting from the Program Forecast and Estimates preparation frequently are not providing a meaningful basis for financial reporting and for budgetary control throughout the year as they do not represent a realistic estimate of anticipated costs, man-year utilization and performance by month and by object of expenditure, project or process against which managers can be held accountable.

There should be adequate documentation and communication of management priorities and decisions and departmental procedures for the preparation and review of program forecasts, Main Estimates and detailed responsibility budgets.

Detailed responsibility budgets, within the constraints of the total approved Estimates, should be adjusted so that they continue to provide a realistic base for budgetary control throughout the year.

Accrual accounting and budgeting procedures should be established throughout the Department for application in any instance where simple cash data is not a meaningful or appropriately accurate basis for identifying costs, matching costs with performance, or otherwise maintaining effective budgetary control.

The Department will endeavour to improve documentation and communication to support the preparation and review of budgets subject to the time constraints of the process and recognizing that rarely does the Department receive in advance from the Treasury Board Secretariat definitive statements of Government priorities.

Budget adjustment and accrual accounting procedures will be developed for implementation in appropriate circumstances as required.

FINANCIAL REPORTING

- In almost all instances responsibility centre managers use the prescribed computerized financial reports only to compare the total year-to-date expenditures with budgets to assess the future availability of funds. The reports are not sufficiently complete, accurate or meaningful for those managers attempting to analyse financial data more precisely or hold their subordinates accountable. Generally alternative records or means of assembling information are maintained for them.

The Department should improve its use of the financial reporting services of the Department of Supply and Services. In particular, the following should be provided for:

- (a) assembly of costs in terms of activity elements;
- (b) accrual accounting techniques;
- (c) reporting of monthly data; and
- (d) assembly of operational performance data.

The Department will work towards continued development of its financial reporting system along the lines recommended, and with reference to the specific recommendations:

- (a) The existing program-activity structure provides for the identification of expenditures by sub-activity and project. Further breakdown of cost elements and improvements of the existing structure will be pursued as required.
- (b) Consideration would be given to implementing accrual accounting techniques in support of identified requirements for cost based financial data.
- (c) Provision of monthly data in addition to year-to-date information generally will not be pursued in a cash expenditure reporting system but will be considered where it would contribute towards more effective management and control.
- (d) In line with Treasury Board guidelines the Department has initiated a preliminary study to consider the feasibility of implementing O.P.M.S. Operational performance data would follow from the eventual implementation of this system.

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Observations and Recommendations as at March 1975.

Agency's comments as at July 1975.

The study covered the financial functions of all segments of the Canadian International Development Agency (CIDA) embracing both the Agency administration and aid activities but excluded a review of the project evaluation procedures.

OBSERVATIONS AND RECOMMENDATIONS

AGENCY'S COMMENTS

ORGANIZATION OF THE FINANCIAL FUNCTION

- The Vice-President Administration is responsible for the internal management of the Agency. As the designated senior financial officer, his title should be changed to Vice-President, Finance and Administration. To indicate this more clearly, his financial responsibilities as spelled out in the Treasury Board Guidelines should be clearly stated in his position description. Moreover he should have a strong financial background.
- There should be a Director General of Finance with strong financial training and experience, responsible for effective management and reporting to the Vice-President, Finance and Administration.

The title of the Vice-President Administration has been changed to Vice-President, Finance and Administration. The newly-appointed incumbent to this position is a chartered accountant and a Bachelor of Commerce. His position description and the authorities delegated to him are defined in accordance with Treasury Board Guidelines.

A study of the organization of the Finance Division is being carried out by the Bureau of Management Consulting, Department of Supply and Services and this recommendation will be reviewed in the light of the Bureau's report. The present Director of Finance has the required training and experience.

FUNCTIONAL GUIDANCE

The Finance Division takes an active role in departmental administration matters but does not participate in decisions with financial implications in development assistance activities.

- Financial officers should provide strong functional support to operating managers. They should participate fully in decisions having financial implications and work closely with responsibility centre managers in preparing financial plans and in analyzing financial reports.

Agree. Steps will be taken to enable financial officers to participate more than has been the case in the past in decisions having financial implications and to work more closely with line managers in the preparation of financial plans and in the analysis of financial reports.

OBSERVATIONS AND RECOMMENDATIONS

The financial responsibilities and functional relationship between the Finance Division and the responsibility centre managers should be clearly defined and fully documented.

AGENCY'S COMMENTS

Agree. A study is now being carried out by the Bureau of Management Consulting on the relationship between the Finance Division and the line managers and on how the organization and function of the Division can best be structured and defined to meet the needs of the Agency.

FINANCIAL MANUAL

Departmental financial policies and accounting procedures are set out in the financial manual issued in 1971. This manual is limited to broad principles and guidelines and does not spell out specific procedures to be followed.

- The financial manual should be extended to include specific procedures and to state personnel responsible for each. One person should be responsible for keeping the manual complete and up to date.

The new financial procedures manual has been completed and the Director of Finance has been delegated the responsibility to maintain the manual up to date.

POSITION DESCRIPTIONS

- The financial responsibilities as outlined in the Treasury Board Guidelines should be clearly set out in the job descriptions of all management positions, and should be updated at regular intervals.

This will be done.

FINANCIAL PERSONNEL

- The financial group should improve its contribution to CIDA management in terms of more effective accounting systems producing timely reports that measure and control performance coupled with participation in the management decision-making process and value for money concepts. To do so it will be necessary to continue upgrading the existing staff through training and education and inserting a larger proportion of professionally qualified people as openings become available.

CIDA will continue its policy of upgrading existing staff through training and education and of recruiting professionally qualified staff.

A comprehensive career guidance program with professional development for financial staff should be instituted and documented.

CIDA has had a program for providing training and professional development to its staff. This program will be documented.

DELEGATION OF AUTHORITY

- Payment authority under Section 26 of the Financial Administration Act should not be delegated below the FI-2 level and should be separated from spending authority under Section 27 of the Financial Administration Act. This should be evidenced by two separate signatures on the supporting documentation.
- No person should be permitted to exercise signing authority delegated to a position when he is on an acting basis unless properly designated in writing by an officer to whom the holder of the position reports.
- Delegation of authorities should be promptly circulated and specimen signature cards forwarded to whom it may concern including the Department of Supply and Services. Specimen signature cards should show the type, amount and details of authorities granted and should be reviewed regularly.

Payment authority under Section 26 has, except in rare instances, been delegated separately from spending authority under Section 27 as recommended by Treasury Board. Where an officer has been delegated both authorities he must not certify under both simultaneously. The supporting documentation will be reviewed and changed if required in order to ensure visible evidence of separate exercise of authorities. The matter of delegation of payment authority to officers below FI-2 rank will be reviewed.

Done.

This has been done since February 11, 1975. Signature cards showing details of authority to be exercised by persons who occupy a position on an acting basis or who have assumed the duties of a position on an acting basis have been obtained and are reviewed regularly.

PAYROLL

Payroll cheques are distributed to employees by Personnel Division which is also responsible for input into the payroll system. In some instances salaries of officers assigned to one function have been charged to another.

- To ensure more effective control, the Finance Division should be responsible for distributing pay cheques directly to employees and also for monitoring all internal staff transfers. The Finance Division should be given responsibility for implementing a time reporting system to ensure that salary costs are allocated to appropriate responsibility centres.

These recommendations will be considered by the Bureau of Management Consulting, Department of Supply and Services, in its study of the organization and functions of the Finance Division.

PRE-AUDIT

Contrary to Treasury Board guidelines payment authority under Section 26 of the Financial Administration Act is being granted prior to establishing batch control and there is no post-audit performed.

OBSERVATIONS AND RECOMMENDATIONS

- Batch control should be established before Section 26 payment authority is given.

AGENCY'S COMMENTS

Under the present batching procedure every requisition in the batch has been properly audited and certified under Section 26 and at the time the batch cover sheet with the overall total amount is prepared and signed, each requisition within the batch is checked and posted to ledgers. It is considered that better control will not be gained by implementing the recommendation. In addition, the cost of implementing this recommendation overrides, in CIDA's view benefits to be achieved.

CONTROL OVER INVENTORIES

- The responsibility for maintaining inventory controls over equipment should be delegated to a permanent employee. He should be responsible for identifying each piece of equipment with a prenumbered label, at least for the equipment without a serial number, and he also would identify custody of equipment by responsibility centre.
- An independent physical stocktaking should be performed at regular periods and the results compared with balances shown on the records.

Agree. A study of procedures for inventory and stores control is now being carried out by the Bureau of Management Consulting, Department of Supply and Services.

Agree. See above.

CONTRACTORS' HOLDBACKS

- Procedures regarding accounting controls over contractors' holdbacks should be documented.
- A monthly listing of all individual outstanding balances should be issued by Computer Accounting and Financial section and reconciled with the control account.

Agree. These procedures will be documented in the financial manual.

This is being done.

ADVANCE PAYMENTS

- CIDA should not permit the inclusion of advance payment clauses in the loan agreements entered into with borrowing countries.

Development loans legally belong to the borrower. Purchase contracts stipulate the method of payment. While every effort will be made to hold to the very minimum advance cash payments, occasions will arise, from time to time, when advance payments must, for good and valid reasons, be made.

APPROPRIATENESS OF CONTRACTUAL AGREEMENTS

- All loan agreements and contracts should be approved by the legal advisers before being signed.

Agree in principle. The Department of Justice has been studying this practice over the past months. Standard agreements and contracts will be developed. Others will be approved by the legal adviser.

OBSERVATIONS AND RECOMMENDATIONS

AGENCY'S COMMENTS

ACCOUNTABLE ADVANCES

- The External Affairs Department should retain responsibility for controlling and collecting advances to employees of CIDA living outside Canada rather than turning them over to CIDA.

Agree. Negotiations have been instituted with the Director of Finance of the Department of External Affairs on this matter.

TRAVEL ADVANCES

- The chief financial officer should regularly review the status of all outstanding advances.

Agree. This is now being done.

LOANS AND CHARGES RECEIVABLE

Principal

- CIDA should register in a subsidiary ledger card all information pertaining to each loan agreement signed, including its terms and all transactions occurring under it (charges, disbursements which constitute the principal, and repayments received from debtor). The subsidiary ledger should be reconciled to the control account on a regular basis.

Procedures have been drawn up to institute the use of such subsidiary ledger cards which are reconciled to the control account on a regular basis.

Charges

- CIDA should establish control accounts for different charges receivable in order to ensure completeness and accuracy of all information relating to every loan agreement and also to determine at any given time the exact indebtedness of each debtor.

Agree. This will be done.

Verification

- Follow-up procedures should be documented and evidence should be available to ensure that each debtor is periodically advised of the exact amount owing, including accrued interest or charges receivable or both, and that these amounts are to be collected.

Debtors who have, under terms of loan agreements, undertaken to pay principal or interest or both, are, as these payments become due under the master loan agreement, advised semi-annually on the situation of the loan and of the amounts due to Canada. If payment is not received by CIDA within 30 days, further reminders are sent to the borrower through Canada's diplomatic mission accredited to the borrowing country. The present notice will be amended to provide for a request for positive confirmation of amount owed by debtor.

INTERNAL AUDIT

- An internal audit unit should be established or an internal audit done by an outside organization such as Audit Services Bureau of the Department of Supply and Services. The head of the internal financial audit unit should be responsible to a senior officer of the Agency who should be chairman of an audit committee composed of other senior officers having authority in the areas necessary to ensure adequate consideration of and effective action on the audit findings and recommendations.

Agree. On March 3, 1975 CIDA entered into contractual arrangement with the Audit Services Bureau of the Department of Supply and Services to conduct, within the rules prescribed by Treasury Board, an internal financial audit. An Audit Committee will be established.

FIELD OPERATIONAL AUDIT

- Regarding the use or distribution of Canadian aid, wherever possible a field operational audit should be performed and a report made to ascertain that controls and policies applied by the developing countries are those previously agreed upon and acceptable to CIDA.
- To complement the post-audit of contract payments performed by the Audit Services Bureau of the Department of Supply and Services, there should be an independent field examination in developing countries to ensure fulfilment of contractual arrangements. These functions may be carried out internally or by an outside organization under contract and the report made to the Executive Committee.

Agree. CIDA does have an Operational Audit Division whose role is to perform such audits. The number of field audits has been somewhat limited in the past. Every effort will, however, be made to expand the capability of the Audit Division within budgetary limitations.

To some degree, this type of examination is being performed by the Operational Review Division and by outside organizations under contract. The executive review is being established.

PROGRAM/ACTIVITY STRUCTURE

The activity structure appears to serve mostly the needs of the Treasury Board for negotiating funds and of the Cabinet for allocating funds by country, by loan and by food aid. The identified activities do not facilitate the departmental resource allocation because they do not clearly relate with the main and sub-objectives of the Program. The structure, with the exception of departmental administration activity, relates more to channels of development assistance whereas the objective sets out specific types of assistance, e.g., social and economic.

OBSERVATIONS AND RECOMMENDATIONS

- The activity structure should be redefined to reflect more closely the stated objectives of the program. Administrative expenditures not directly related to the aid activities should be dealt with as a separate activity. Wherever applicable, sub-activities should identify the basic projects which would be accurately costed so that resources allocated to the projects would be measured against output in terms of efficiency and budgetary control.

The grant to the International Development Research Centre is included in the Agency's Estimates only as a medium to facilitate the provision of funds by Parliament for the purpose and objectives of this separate corporation. The Main Estimates for 1974-75 show a grant to the Centre of \$19 million.

- Being a separate entity, the International Development Research Centre should not be treated as an activity of CIDA and should not be shown as such in CIDA's Main Estimates.

PROGRAM FORECAST AND BUDGETING

An annual review of country program projects is carried out by operating units in the Bilateral Branch, the largest of the operating branches, but this review is not made in conjunction with the annual program forecast. As a result, there is no firm information base to ensure that forecasts reflect executive priorities.

- The planning and selection of projects should be integrated with the annual budgeting exercise and the procedures should be documented to ensure completeness, accuracy and consistency of data.
- The budgeting process should be subject to the central direction and control of a senior management budget committee. The detailed preparation of the administrative forecast and of the aid forecast should be carried out as an integrated process so that planning staff and other administrative support requirements is directly linked to planning operational activities.
- Executive priorities should be communicated in writing to each organizational level responsible for budget information.

AGENCY'S COMMENTS

This has been looked at in connection with the 1976-77 program forecast and changes are being made in the activity structure. A submission has been drafted for presentation to the Treasury Board, seeking approval of the changes. If approved by the Board, the Main Estimates for 1976-77 will reflect revised activities.

This recommendation is being examined. It is one which has been of concern to CIDA for some time.

A study of the budgetary cycle and processes is being carried out to integrate to a greater extent the country program review and other planning processes within the Agency with the program forecast made to Treasury Board.

See above.

See above.

PERFORMANCE MEASUREMENT

- The preliminary work with respect to development of performance measurement initiated by the Finance Division should be extended to other branches in order to expedite implementation of an operational performance measurement system wherever feasible.

Agree.

VARIANCE ANALYSIS

- A meaningful variance reporting system should be developed and documented in accordance with Chapter VI of the Treasury Board Guide on Financial Administration, whereby variances between budgeted and actual costs in relation to results are analysed with a view to corrective action.

Agree in principle. The extent, however, to which variance reporting can be developed effectively in CIDA needs to be determined.

MAIN ESTIMATES

Unlike other departments in the Government of Canada, the unexpended balances do not lapse under the special account, food and loans vote. However, all unexpended balances lapse under the Administration Vote.

- The Agency should change the format and content of its Main Estimates presentation to show the full extent of its planned expenditures for the ensuing fiscal year. This presentation should disclose clearly whether the estimated expenditures are to be met from current appropriations as well as from unspent balances of appropriations carried forward from previous years.

This is being reviewed with the Treasury Board Secretariat. In the interim, a presentation on this matter was submitted to Members of Parliament in regard to the 1975-76 Main Estimates.

CIDA has made an agreement with an international development bank to collect and to reinvest repayments of principal and interest on Agency loans originally made to individual countries.

- The Main Estimates should show funds to be reinvested which are provided from repayments of principal and interest on Agency loans originally made to individual countries.
- The wording of the parliamentary vote for development assistance expenditures should provide the authority and limits for forward commitments since it involves substantial amounts.

Agree. This is being reviewed with the Treasury Board Secretariat with a view to implementation of the recommendation.

Agree. While we agree in principle this is a government-wide problem which should be resolved by the Treasury Board Secretariat.

OBSERVATIONS AND RECOMMENDATIONS

- Where the authority is requested to purchase paid-in shares and callable shares, consideration should be given to include consistently in the Main Estimates the required dollars to fulfill the entire obligations.

APPROPRIATENESS OF RESPONSIBILITY BUDGETING

- To ensure completeness, accuracy and consistency of data, the Agency should establish and document in a manual the roles to be played and the internal procedures to be followed in the budgetary process by each of the various levels of the departmental organizational hierarchy, ensuring particularly that the role of the lower levels is adequate to ensure commitment to budgets.

ALLOTMENT AND COMMITMENT CONTROL

- The allotment and commitment control procedures should be fully documented in a manual so that the roles and responsibilities of all participants in the system are adequately communicated. The procedures should include instructions for an annual review of the outstanding commitments.

CASH FORECASTING

Operation divisions are required to prepare and submit information for cash forecast but do not utilize one standard method because no internal procedure is documented.

- The procedures for the preparation of the cash forecast should be clearly documented in a manual.

MANAGEMENT REPORTING

- CIDA should conduct, under adequate and well defined terms of reference, a study to determine whether the program managers are receiving adequate financial information in a form that will enable them to manage their program effectively.

AGENCY'S COMMENTS

This is a matter for the Treasury Board and the Department of Finance to resolve.

Agree. This will be included in the financial manual discussed previously.

Agree. The allotment and commitment control procedures are already documented but the role and responsibilities of all participants are not yet documented. This will be corrected. Outstanding commitments are reviewed on a regular basis.

The question of documenting the existing procedures will be looked into, but it should be stated that any system for meaningful cash forecast must not neglect such factors as personal experience and knowledge.

A study is now being conducted by the Bureau of Management Consulting, Department of Supply and Services.

**DEPARTMENT OF SUPPLY AND
SERVICES REPORTING**

- CIDA should review the use of the financial reporting services provided by the Department of Supply and Services to prevent duplicate cost of processing input and to realize greater use of the services.

The duplication of input is minimal insofar as time and cost are concerned. The reports prepared by the Department of Supply and Services complement the reporting system of CIDA. This matter was previously considered by CIDA and the introduction of the present system was considered essential in order to obtain timely reports geared to the needs of CIDA's management.

**VISIBILITY TO PARLIAMENT IN THE
PUBLIC ACCOUNTS**

- Recipients of all grants and contributions should be shown in the Public Accounts and consideration should be given to classifying grants and contributions by Agency division such as: Asia, Caribbean, Commonwealth, Africa, etc.
- Consideration should be given to disclosing in the Public Accounts the full financial implications pertaining to the Loan Vote, including:
 - (a) the undisbursed portion of the authorized loans; and
 - (b) where the authority is given to purchase callable shares and no dollars are provided in the Estimates to fulfill the obligation, the required dollars should be shown in the Public Accounts or indicated as a contingent liability.

Not all grants and contributions are listed. To attempt to list every grant and contribution by CIDA to developing countries, to educational institutions in developing countries and to non-governmental organizations operating in the aid field would require a very significant increase in the volume of the Public Accounts — quite aside from an increase in workload. CIDA's annual review, copies of which are given to Members of Parliament and to many organizations and institutions, does include this information in part. These recommendations will, however, be discussed with the Government Accounting Branch of the Department of Supply and Services and with the Treasury Board Secretariat.

CANADIAN RADIO-TELEVISION COMMISSION

Observations and Recommendations as at December 1974.

Commission's Comments as at August 1975.

OBSERVATIONS AND RECOMMENDATIONS

COMMISSION'S COMMENTS

FINANCIAL OFFICERS

- There is a need to define more clearly responsibilities for the financial functions within the Commission.

The Chairman should designate, in writing, the senior financial officer for the Commission and a position within each branch to act as and perform the duties of a financial officer for that branch. This written designation should include a statement to the effect that branch financial officers are functionally responsible to and will receive and accept functional guidance and direction from the senior financial officer for the Commission, in all financial-accounting matters pertaining to their respective branches.

Agreed, recommendation being implemented immediately.

COMMITMENT CONTROL

- Expenditures are initiated and processed in the branches without appropriate commitment controls to ensure that there are sufficient unencumbered funds available in the appropriation.

All branch directors should be informed that commitment certification and financial control thereof, through the maintaining of supplementary commitment records, will be the responsibility of the branch and should be carried out through the designated financial officer within each branch.

A standard branch supplementary commitment recording system should be designed and be placed in use in all branches.

Study on commitment control being carried out at present. Will have new system in operation during Fall of 1975.

MINISTERIAL CONTROL

- The Commission is a responsibility of the Secretary of State under the Financial Administration Act but reports to the Minister of Communications for the purposes of the Broadcasting Act.

An "Order in Council" should be obtained designating the Minister of Communications as the appropriate minister for the Commission for purposes of the Financial Administration Act.

An Order in Council minute has been received designating Minister of Communications as the appropriate Minister.

**RESPONSIBILITIES OF THE SENIOR
FINANCIAL OFFICER**

- The Director, Finance and Management Services Branch has significant non-financial responsibilities which divide his time and efforts.

The position of Assistant Director, Financial Planning and Control should be established and staffed as soon as possible.

The position of Assistant Director, Financial Planning and Control has been established and staffed.

MANAGEMENT COMMITTEES

- There is a need to improve the lines of communication between financial officers and the operational branches.

The designated senior financial officer should be a member of the Operations Committee. The designated branch financial officers should attend the weekly meetings of the Finance and Management Services Branch.

The Director, Finance and Management Services has been designated a member of the Operations Committee. Branch financial officers will, in the future, attend weekly meetings of Finance and Management Services.

FINANCIAL MANUAL

- The Commission has initiated procedures to develop a financial manual. The financial manual should be completed as expeditiously as possible.

The Financial Manual is being prepared. It will be completed during Fall of 1975.

**DELEGATION OF FINANCIAL
AUTHORITIES**

- The delegation of financial authorities is out of date, has not been signed by the present Secretary of State and places the responsibilities for exercising spending and payment authorities on the Chairman and on the staff of the Finance and Management Services Branch exclusively.

The appropriate Minister and the Chairman should approve and sign an up-to-date delegation of authorities document.

A new delegation of financial authorities has been prepared and is in the stage of implementation.

OBSERVATIONS AND RECOMMENDATIONS

COMMISSION'S COMMENTS

There should be an annual review of the delegation of signing authorities and an annual report thereon to the Chairman of the Commission.

Agreed — will be done.

Commitment, spending and payment authorities should be delegated to the appropriate officers in the branches.

Agreed — being implemented.

Copies of specimen signature cards of the incumbents of all positions having delegated signing authority should be distributed to all positions within the Commission having to recognize such signatures and to the Department of Supply and Services.

Agreed — being done.

BROADCASTING LICENCE FEE REVENUE

- Broadcasting licence fees assessed and collected by the Commission are netted against expenses of the Department of Communications and are not subject to adequate controls to prevent misappropriation of funds, undue delay in the collection of overdue amounts or incomplete accounting and reporting.

Licence fee receipts should be collected and reported by the Commission and should be credited to the Consolidated Revenue Fund and fees receivable at the fiscal year-end should be reported in the Public Accounts.

Agreed — new system will be implemented during current fiscal year.

A system of independent financial control over fee receipts and accounts receivable should be established. This system should provide for:

New system being implemented.

- (a) prenumbering and numerical control of receipts and assesment notices;
- (b) accounts receivable detailed records; and
- (c) monthly review by the senior financial officer of an aged listing of outstanding accounts receivable.

INVENTORY CONTROLS

- The existing system of controlling physical inventories of capital equipment is incomplete and inaccurate.

The Commission should continue with the implementation of its new system to establish accounting control over capital equipment.

New system implemented.

BUDGETARY CONTROL

- The Commission is not performing the regular analysis of financial information which would be useful for monitoring and controlling the use of resources and operating performance.

The Commission should include budget figures in the monthly financial reports prepared by the Department of Supply and Services and the financial officers should prepare monthly analyses of variances between budgeted and actual costs.

Being done.

FINANCIAL REPORTING

- The form and content of the monthly reports is not sufficiently detailed to enable effective financial management and control within the branches.

The financial reports of the Commission provided by the Department of Supply and Services should be expanded to include:

Agreed — being implemented.

- (a) commitment information at the responsibility centre level;
- (b) budget information at the line object level; and
- (c) activity reporting at the sub-activity level based on activity elements to be defined by the Commission.

CANADIAN TRANSPORT COMMISSION

Observations and Recommendations as at November 1974.

Commission's Comments as at June 1975.

OBSERVATIONS AND RECOMMENDATIONS

COMMISSION'S COMMENTS

FINANCIAL RESPONSIBILITY

- Some areas of financial responsibilities are not clearly defined and formal lines of financial communication are not being followed. Further, a comprehensive financial manual does not exist.

The organization chart of the Commission should be revised to recognize that the Financial Adviser reports to the Vice-President (LAW).

The Financial Adviser should expedite the completion of the Commission's financial manual.

For internal administrative reasons, the organization chart of the Commission will not be changed. The Financial Adviser continues to have direct access to the President and/or Vice-President on matters of financial management while reporting officially to the Secretary of the Commission.

Increasing emphasis will be placed on completing the Commission's Financial Management Manual.

MANAGEMENT COMMITTEES

- The Commission has a Management Advisory Committee and Operations Committee neither of which has been formally activated. It is proposed that these committees share the responsibilities for financial planning and program review.

The Commission should redefine the role of each of its management committees and activate them as soon as possible including, as part of their roles, the determination of long-range plans and objectives, the establishment of priorities and the assumption of a challenge role concerning the annual forecasts and Main Estimates.

Both of the aforementioned committees were activated late in 1974. The role of the Committees include the recommendation.

PAYROLL

- In Personnel Administration, the combination of personnel functions such as classification, recruitment and staffing with the payroll functions of controlling payroll input documents and cheque distribution, represents an inadequate division of duties and creates opportunity for fraud.

Financial Services should be responsible for reviewing financial controls over payroll and should distribute payroll cheques directly to employees without returning them to Personnel Administration.

Pursuant to this recommendation and Treasury Board Circular 1975-29, the control and distribution of payroll cheques will be transferred to Financial Services.

PRE-AUDIT OF SUBSIDY PAYMENTS

- Subsidy claims are determined and recommended for payment by the various transportation committees. The Financial Adviser who certified these payments under Sections 26 and 27 of the Financial Administration Act has no means of independently verifying the propriety and accuracy of these payments.

The Commission should establish an independent subsidy pre-audit group within Financial Services.

Agreed, but implementation of the recommendation would result in a duplication of effort. The verification function will, therefore, be carried out by an internal audit staff reporting for these purposes to the Financial Adviser.

**DELEGATION OF FINANCIAL
AUTHORITIES**

- The present delegation of authorities is out of date, and does not appropriately recognize the financial responsibility of senior operating officers. As a result the Chief Financial Officer has been exercising spending and payment authority on the same transaction.

A new delegation of authorities document should be prepared as soon as possible delegating spending authority under Section 27 of the Financial Administration Act to responsibility centre managers with payment authority under Section 26 remaining with Financial Services. In conjunction with the new delegation document, a system for maintaining specimen signature cards on a current basis should be implemented.

The preparation of a new instrument of delegation has been under way for some time and should be issued by June 30, 1975.

OBSERVATIONS AND RECOMMENDATIONS

COMMISSION'S COMMENTS

ACCOUNTS RECEIVABLE

- In certain circumstances, the Commission is entitled to recover portions of subsidy payments; these amounts should be subject to appropriate systems of financial control.

This recommendation has been accepted and will be carried out by the present staff together with the assistance of a soon-to-be formed Internal Audit Group.

RAILWAY GRADE CROSSING FUND

- The amounts, as provided for in the Estimates and as transferred to the Railway Grade Crossing Fund during the year, are not estimates of the amounts necessary to discharge commitments out of the Fund in that year.

The Commission should replace the present system of crediting the Railway Grade Crossing Fund with a fixed annual amount with an annual lapsing appropriation based on anticipated expenditures for the ensuing fiscal year.

The impact of this recommendation will be reviewed in time to reflect any agreed-upon changes in the 1976-77 Main Estimates.

REQUISITION AGAINST STANDING OFFER

- Inadequacies in the control of requisitions against standing offers, which are made by the Department of Supply and Services for certain goods and supplies, could result in the unauthorized or fraudulent requisitioning of goods.

Strict physical control should be maintained in the Commission over the Department of Supply and Services form used for requisitioning against standing offers and its use should require the approval of those having delegated spending authority under Section 27 of the Financial Administration Act.

This recommendation has been implemented.

INTERNAL AUDIT

- There is no internal audit in the Commission which would result in an independent review of the various systems and procedures employed.

The Commission should have a comprehensive internal audit of its operations on a regular basis.

An Internal Audit group will be established with staffing to take place during the 1975-76 fiscal year.

ACTIVITY STRUCTURE

- The activity structure displayed in the Main Estimates is inconsistent with the management reporting structure and may not be contributing to effective parliamentary understanding and control.

OBSERVATIONS AND RECOMMENDATIONS

The activity structure should be redefined to reflect the Committees as main activities. Administrative expenditures not directly identifiable with specific Committees should be dealt with as a separate activity.

BUDGET PREPARATION

- Budgets are now consolidated from the responsibility centres up to the executive level without prior communication by senior management of plans, objectives, goals and priorities for the utilization of resources.

Plans, goals and objectives for each fiscal year should be established and communicated to responsibility centre managers before preparing their budgets.

FUNDING OF MAN-YEAR REQUIREMENTS

- The Commission has been unable to staff successfully its authorized man-year requirements. This has resulted in overstating the funds required for salaries and does not produce realistic budgets.

The Commission should request funding of man-year requirements on the basis of expected, not maximum utilization.

BUDGET REVIEW AND ANALYSIS

- The differences between the planned and actual expenditures of responsibility centre managers are not being identified or analysed on a periodic basis by, or for, senior management.

Financial Services should analyse monthly management financial reports in conjunction with responsibility centre managers and report on variances to senior management.

ALLOTMENT CONTROL

- Individual responsibility centre budgets are treated as sub-allotments of the allotments approved by Treasury Board. All sub-allotment transfers are not being communicated to responsibility centres or reflected in their financial reports.

COMMISSION'S COMMENTS

The Commission's activity structure will be amended in keeping with the recommendation. Implementation is scheduled for April 1, 1976.

This recommendation will form part of the duties of the recently activated Management Advisory Committee.

This recommendation is accepted and the mechanics of its implementation are presently being determined.

This recommendation will be implemented immediately.

OBSERVATIONS AND RECOMMENDATIONS

COMMISSION'S COMMENTS

The Commission should institute a system of formal notification of sub-allotment transfers affecting responsibility centre budgets, so that the managers who are responsible are informed of changes. In addition, the budget figures contained in the management financial reports should be adjusted accordingly.

This recommendation will be implemented for the 1975-76 fiscal year.

COMMITMENT CONTROL

- With the exception of the Railway Grade Crossing Fund, there is no commitment accounting system to support certification of requisitions for payment "that there is a sufficient unencumbered balance available ..." as required by Section 25 of the Financial Administration Act.

The Commission should develop and implement a system of commitment accounting for professional service contracts, rentals and similar items.

This recommendation will be implemented for the 1975-76 fiscal year.

ALTERATIONS TO ACCOUNTING SYSTEMS

- The Department of Supply and Services provides monthly financial reports prepared in accordance with specifications set by the Commission. The validity of output from these systems is dependent upon careful adherence to approved procedures. Alterations to these specifications can be, and have been, made by unauthorized persons.

The Commission should designate certain senior accounting personnel to be responsible for changes in financial reports. The Department of Supply and Services should be instructed to accept changes only from such authorized personnel.

This recommendation has been implemented.

MAN-YEAR UTILIZATION

- Man-year utilization data is assembled manually and is not integrated with the present management information system.

The Commission should have its man-year utilization information incorporated into the management information system prepared by the Department of Supply and Services.

The possibility of implementing this recommendation will be reviewed.

**OBSERVATIONS AND
RECOMMENDATIONS**

COMMISSION'S COMMENTS

**DOCUMENTATION OF ACCOUNTING
SYSTEMS**

- The Commission's accounting system is not fully documented or flow-charted in a manner which would enable those using the system to understand how the information is processed.

Financial Services should write up and fully document the accounting systems employed by the Commission for incorporation in the Commission's financial manual.

Agreed. The completion of the Financial Management Manual is proceeding.

COLLATOR CODES/NUMBERS

- Collator coding is an effective method of reducing the error rate in inputting transactions to the accounting system but is not used by the Commission.

Financial Services should use collator codes as an aid to more efficient processing of expenditure information.

The possibility of using collator numbers as an adjunct to the amendment of the activity structure will be reviewed.

DEPARTMENT OF COMMUNICATIONS

Observations and Recommendations as at February 1975.

Departmental Comments as at June 1975.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

COMPENSATION

- The compensation and benefits function is centralized at Head Office and is completely independent of the Financial Services Division resulting in inadequate internal control.

The Financial Services Division should monitor payroll accounting.

Action has been taken to institute procedures to provide for monitoring of payroll accounting by the Financial Services Division.

FUNCTIONAL RELATIONSHIP

- Functional relationships between regional financial staff and senior financial and administrative officers at Head Office should be documented and communicated to all parties concerned.
- Senior financial and administrative officers should participate in defining the responsibilities and in the annual performance review of their functional subordinates.

This functional relationship is being reviewed and will be documented and communicated to the parties concerned.

An employee evaluation review committee has been established with the Director General of Personnel, Finance and Administration, the Director of Administrative Services and the Director of Finance as members.

FINANCIAL AND ADMINISTRATIVE MANUAL

- The financial management manual should be cross-referenced to the source of authority, reviewed regularly and updated.
- A materials and fixed assets management manual should be prepared.

The Financial Management Manual is now being updated regularly by the Accounting Systems and Procedures Unit. The suitability of cross-referencing to the source of authority will be taken into consideration.

An Administrative Manual is being compiled from established systems of operation. This manual will comprise materials and fixed assets management.

CONTROL OF EXPENDITURES AND REVENUE

- Regional offices keep their own records but send the original document of their accounts payable vouchers to Head Office for monitoring.

OBSERVATIONS AND RECOMMENDATIONS

Original documents of regional accounts payable vouchers should be kept at regional offices and the post-audit at Head Office should be discontinued.

- Certain direct administrative costs such as rental contracts, Department of Supply and Services service charges and capital asset costs should be allocated to responsibility centres.
- Accounting for receivables and recoveries is completely decentralized.

Financial Services Division should review its controls over accounts receivable and recoveries in order to ensure accuracy and collection.

- The Telecommunication Engineering Laboratory may not bill all chargeable work and unauthorized work could be performed because of an inadequate work order system.

The Telecommunications Engineering Laboratory should improve controls over the utilization of work orders and subsequent billings by using prenumbered work orders.

- The Department could be held responsible for handling Canadian Radio-Television Commission licence applications and annual fees over which it has no control.

Canadian Radio-Television Commission revenues should be remitted directly to the Consolidated Revenue Fund.

INVENTORY AND CAPITAL ASSETS

- Physical counts of inventories should be taken at regular intervals by independent staff.
- The Department should adopt a policy requiring managers to report specific assets not utilized.
- Major inventories and capital asset accounts should be reconciled with annual expenditures and disposals.
- Inventories are not under budgetary control and changes in inventory levels are not considered when preparing budgets.

Changes in inventory levels should be considered when preparing annual budgets.

DEPARTMENTAL COMMENTS

Regional accounts payable are now being audited in the regions.

The allocation of costs is being assessed to determine whether the present system lends itself to the segregation and repartition of costs without creating an unmanageable workload on present staff.

This function will be studied taking into consideration the standardizing of present systems.

Action has been taken to amend the present system at the Laboratory to provide increased control.

This recommendation will be discussed with the Treasury Board.

The principle expressed is agreed to and exact procedures in this regard will be formulated for inclusion in the forthcoming Administrative Service Manual.

A policy requiring managers to report specific assets not utilized will form part of the Administrative Service Manual now being compiled.

This requirement will be included in the Administrative Service Manual now being compiled.

Policy regarding this matter will be included in the Administrative Service Manual now being compiled.

INTERNAL AUDIT

- The Chief Internal Auditor is under the direct responsibility of the Director of Financial Services which could limit the scope of audit coverage and the independence of his opinions.

The Chief Internal Auditor should report to and receive guidance from an independent audit committee.

- No complete independent financial audit of the payroll has been performed since the creation of the Department in 1969.

An audit of the Head Office compensation and benefits function should be performed in the near future.

The structure under which the Chief Internal Auditor should report will be reviewed. An audit committee has been formed with representatives from the Financial Services Branch, the Department of Supply and Services and the responsibility centre under audit.

The compensation and benefits function is now being audited on a regular cyclical basis.

**PROGRAM FORECAST AND MAIN
ESTIMATES**

- A program evaluation and review function or a committee to review periodically on-going activities and to evaluate and review new activities should be established.
- Priorities and guidelines should be determined, documented and communicated by senior officers before having budgets prepared.

A Program Review and Evaluation Division is being organized and its responsibility will be to review regularly all on-going activities.

This was done by Senior Management for the 1976/77 Program Forecast exercise. Priorities and objectives were determined, documented and communicated to the responsibility centre managers. This procedure will be continued in the future.

**CASH FORECASTING AND
COMMITMENT CONTROL**

- Commitments are not recorded on a uniform basis within responsibility centres.

The parallel commitment control system should be standardized and reconciled to Department of Supply and Services reports monthly.

It is agreed that a comprehensive parallel system might be needed but duplication could be avoided if the Department of Supply and Services overhauled its system to make it more flexible, more easily accessible and more timely.

FINANCIAL REPORTING

- The use and distribution of Department of Supply and Services reports should be reviewed and managers made fully aware of the contents of these reports and of the information available to them in order to utilize these statements efficiently.

We have reviewed the distribution system and have made the necessary improvements in this area. Activity will also be increased to better inform managers of the contents and use of these reports.

OBSERVATIONS AND RECOMMENDATIONS

- The method of preparing these reports should be reviewed to eliminate the time lag in obtaining monthly reports and in correcting entries.
- Department of Supply and Services financial reports do not include a meaningful and appropriate analysis of financial data in terms of relevant non-financial data such as output and performance indicators and man-year utilization.

The Department and the Department of Supply and Services should review the contents of financial reports to obtain a more complete cost basis which will help to extend the application of quantitative measurement indicators and provide more precise and accurate financial data for better control.

MANAGERIAL REPORT

- Contents of financial and managerial statements, their utilization and distribution should be reviewed to eliminate duplication or over-lapping of information. Also, an evaluation of these reports should be made to ensure that source data utilized is accurate and on a comparative basis.

DEPARTMENTAL COMMENTS

This is a Department of Supply and Services problem. The non-flexibility in the statements and the rigidity of time schedules are governed by the Department of Supply and Services.

The structure of the present government accounting system does not provide for complete cost basis to help extend the application of essential management tools such as quantitative measurement indicators.

A comprehensive review of financial and managerial statements will be undertaken taking into consideration the observations and recommendations of this report.

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Observations and Recommendations as at November 1974.

Departmental Comments as at April 1975.

The study only covered programs reporting to the Deputy Minister and therefore excluded the following entities:

Canadian Consumer Council
Patent Appeal Board
Restrictive Trade Practices Commission

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

FUNCTIONAL RELATIONSHIPS

- Systems, methods and procedures developed by Financial and Administrative Services are generally transmitted to individuals having financial responsibilities within the bureaus and regional offices through manuals, directives and other written instructions.

More frequent regular meetings should be held by Financial and Administrative Services officers to familiarize program and regional financial officers with financial policies and procedures and to provide an opportunity to exchange views on financial matters.

- Regular sessions should be held, conducted by Financial and Administrative Services senior financial officers, for assistant deputy ministers and branch directors on the use and nature of financial data.

TRAINING AND DEVELOPMENT

- A systematic approach to training and development has been implemented within Financial and Administrative Services. However, the program does not cover financial and administrative officers having financial responsibilities within the other bureaus and regional offices.

The program should be extended to cover financial and administrative officers within bureaus and regional offices.

Regular sessions are held twice annually with regional financial and administrative officers. Regular sessions are already under way with users of cost accounting systems. Monthly meetings are being scheduled with program administrative officers to discuss current developments in financial administration.

A financial orientation and training program for senior managers is currently being designed. The tentative subject matter areas to be covered have been established. It is anticipated that the first sessions will be run in the fall of 1975.

The training and development program is currently being documented and is to be extended to the other bureaus and the regions.

OBSERVATIONS AND RECOMMENDATIONS

- Senior officers within Financial and Administrative Services should provide input to the performance reviews of financial and administrative officers within the bureaus and regional offices.

COMMUNICATION OF FINANCIAL POLICIES

- The Department's Financial Administration Manual should be completed as soon as possible.
- A numbering system should be introduced to control communication of Financial and Administrative Services guidance, explanations and instructions to bureau and regional financial personnel.

ACCOUNTING CONTROL OF EXPENDITURES

- The Department of Supply and Services verifies only the authority under Section 26 of the Financial Administration Act and there is no procedure within the Department of Consumer and Corporate Affairs to verify the authenticity of both spending and payment authority immediately before cheque requisitions are submitted for payment. As a result, fictitious documents could be inserted into the payment systems and public funds could be misappropriated.

As a final step before submitting cheque requisitions to the Department of Supply and Services for payment, the batching clerk should verify the authenticity of the signatures authorizing both spending and payment authority.

- Sequential numbering of cheque requisitions should be enforced in the bureaus.
- The Financial Accounting Division of Financial and Administrative Services should provide the bureaus with documentary evidence to support centrally billed accounts charged to their budgets.

REVENUES

- Departmental revenue review procedures and rate schedules should be included in the Financial Administration Manual.

DEPARTMENTAL COMMENTS

This recommendation is sound in theory but its implementation is very complex. It will be subject to further analysis.

The development of this Manual is a continuing process. Sections for Financial Planning and Resource Management Reporting Systems have already been added. Procedures for the Regional Accounting function will be added during 1975.

This recommendation has been implemented.

This recommendation will be implemented during 1975.

This recommendation has been implemented.

This recommendation has been implemented.

Revenue review policies will appear in the manual. Because of the number of rates and scales involved, reference will be made in the manual to the sources of authorized rates.

OBSERVATIONS AND RECOMMENDATIONS

- All fees should be reviewed annually and the resulting decisions should be well documented to ensure continuity from one year to the next.

INTERNAL AUDIT

- The Director, Financial and Administrative Services, is responsible for the conduct of the Internal Audit Division and thereby controls the volume and scope of the audits to be carried out.

The Deputy Minister should review an annual report prepared by the Chief, Internal Audit, summarizing his audit coverage for the year, his findings, the corrective measures taken and the subjects still to be resolved.

- Internal audit staff have been used in the past to develop systems which they are subsequently responsible for auditing, thereby destroying the objectivity of the auditor.

Internal audit staff should be employed strictly in an audit capacity.

PROGRAM FORECAST/MAIN ESTIMATES

- Executive priorities should be communicated in writing on a timely basis to each organizational level responsible for the preparation of budgets.
- While continuing to include the costs of the Field Operations Service as part of the activity elements which it supports, the Department should examine as soon as possible the financial relationship between the Service and other departmental bureaus with a view to defining more clearly the lines of authority.
- Budgeted increases in manpower generally assume that individuals with the required skills will be available when needed, at the salary rates indicated by the position classification.

Man-years and dollars included in the Estimates should reflect limitations imposed by hiring procedures and by the projected hiring climate.

DEPARTMENTAL COMMENTS

Fee setting is a complex matter involving not merely determination of the fees but also establishing the mechanism for implementation through regulation or even changes in law. Therefore we plan to review all fees on a cycle of approximately three years.

The Deputy Minister will review the first annual report which will be issued in June 1975 covering the fiscal year ended March 31, 1975.

This recommendation has been implemented.

This recommendation will be implemented in 1975.

This matter is the subject of a subcommittee of the departmental Executive Committee and a consultant's report.

This recommendation is not accepted as the provision in Estimates for man-years and dollars are based on resource requirements rather than administrative or supply limitations.

OBSERVATIONS AND RECOMMENDATIONS

- A formal plan should be developed for fully implementing an Operational Performance Measurement System (OPMS) and the Department should accelerate its efforts to achieve full implementation, including assignment of the responsibilities to specific individuals.
- A formal explanation should be prepared of factors which have resulted in lapsed funds so that they may be considered in future budgets.
- Each program prepares an Operational Plan which is used as input to the departmental Program Forecast. In the past the Operational Plans have not been updated to reflect subsequent changes in budgetary levels.

Operational Plans should be revised and redistributed to correspond to approved Main Estimates.

- Formalized policies should be developed concerning the nature and documentation of the review, challenge and approval and the independent verification of mechanical accuracy of budgetary submissions to Treasury Board and their supporting documents.

RESPONSIBILITY BUDGETS

- At present, the preparation of the Main Estimates by the Department serves two purposes: submissions to the Treasury Board as support for requested resources and as the detailed budgets for each activity element. The Main Estimates are prepared in a strict format to conform to Treasury Board rules and thus are not necessarily compatible with the requirement for realistic responsibility budgets.

More realistic budgets should be established at the responsibility centre level.

- The Department should establish and document in the Financial Administration Manual the roles which should be played in the budgetary process by each of the various levels of the departmental organizational hierarchy to ensure commitment to final budgets.
- Budget changes at the bureau, departmental and Treasury Board levels should be satisfactorily explained to responsibility centre managers to ensure their commitment to their budgets and to the budgetary process.

DEPARTMENTAL COMMENTS

Nearly half (48%) of the resources requested for 1976-77 were based on OPMS data. Of the remaining amounts approximately 50% is considered not to be quantifiable; thus, measures would have to be expenditure ratios only. Indicators have not been developed in several of the remaining areas because of changes in legislation which may totally change the measures.

This recommendation will be implemented as soon as the final 1974-75 year-end situation is known.

This recommendation has been implemented.

This recommendation has been implemented.

A number of changes have been made to improve the budgets of responsibility centres.

This is the subject of a study for the Financial Planning group during the summer of 1975.

These explanations are being provided, but because of the limitation on resources, managers remain somewhat uncommitted. Further education will assist in dealing with this recommendation.

OBSERVATIONS AND RECOMMENDATIONS

- The majority of monthly responsibility budgets ignore predictable fluctuations in monthly cash expenditures and are basically prepared by spreading the annual budget evenly over the twelve-month period. Since expenditures are recorded on a cash basis the comparison of budgeted and actual expenditures is often meaningless and misleading.

Monthly budgets should be based on realistic planned expenditures prepared on the same basis as that used to record expenditures. The comparison with actual year-to-date expenditures included in financial reports should be supported by effective variance analysis.

- Salary reserves and cost-of-living adjustments should be added as soon as they are known to budgeted figures in reports.
- Procedures requiring that all budget adjustments be officially recorded in the Department's accounting system should be included in the Department's budgetary manual and enforced by senior bureau officials and by Financial and Administrative Services.

PROJECTED EXPENDITURES

- The Department prepares monthly forecasts giving a comparison of budgeted and actual man-year usage and expenditures to date and a projection of the total lapse or over-expenditure for the year.

The forecasts of man-year usage and expenditures (Resource Utilization Reports) do not consider the effect of the turnover of employees currently on strength and the difficulties in increasing net strength because of the filling of vacant positions from within the Department. Estimates of future hiring dates in the regions are not reviewed for feasibility by the appropriate hiring authority.

The turnover of employees currently on strength and the pyramid effect of filling vacant positions from within the Department should be recognized formally in forecasts of manpower usage and salary expenditure. Estimates of future hiring dates in the regions should be reviewed by the appropriate hiring authority.

DEPARTMENTAL COMMENTS

A number of changes have been made to improve monthly budgets.

This recommendation will be implemented during 1975.

This recommendation has been implemented.

The turnover of employees currently on strength and the pyramid effect of filling vacant positions from within the Department will be considered in future forecasts. A review of future hiring dates in the regions by the appropriate hiring authority has been implemented.

OBSERVATIONS AND RECOMMENDATIONS

- The Manpower Planning Reporting System is designed to produce reports of current manpower strength and projections of manpower costs for the remainder of the year. Under the present system, the Manpower Planning Reporting System is not updated on a prompt and regular basis to reflect contract settlements, thus resulting in inaccurate forecasts of expenditures.

Settlements should be updated in the Manpower Planning Reporting System immediately they are reached.

- Projections of non-salary expenditures are based on the estimates of responsibility centre managers.

Financial and Administrative Services should develop reliable guidelines for forecasting non-salary expenditures.

- The Resource Utilization Report was not issued in September 1974 because of other priorities.

The Resource Utilization Report should be prepared every month.

- Supplementary information accompanying the Resource Utilization Reports is redundant and meaningless and the format of the information provided is different for each bureau.

Financial and Administrative Services should determine the nature of supplementary information to accompany the Resource Utilization Reports and this information should be prepared in a consistent format for each responsibility centre.

- Commitments and potential commitments should be incorporated into the Resource Utilization Reports prepared for Field Operations Service responsibility centres.

COMMITMENTS

- Commitment listings should be purged by all responsibility centre managers on a monthly basis as stated in the Department's Financial Administration Manual.
- Commitments should be recorded in the regional accounting systems and incorporated into appropriate regional financial reports.

DEPARTMENTAL COMMENTS

This observation arose because the study occurred during the time that the manpower system was being modified and a number of contracts had been signed just prior to the system change. Now, as soon as the Department is advised, the changes are made.

This recommendation will be subject to further analysis in 1975.

This recommendation has been implemented.

Revised reports are being designed for 1975-76 with some explanatory information. Such reports will be tailored to the requirements of the individual Assistant Deputy Minister as different factors are of importance in different programs.

A revised weekly expenditure and detailed commitment report has been designed for the regional offices and implemented.

Instructions have been issued to have the Manual followed by the various responsibility centres.

This recommendation has been implemented.

**OTHER ASPECTS OF BUDGETARY
CONTROL**

- Certain costs are not always charged against votes on a consistent basis from year to year.

The Department should distribute costs to votes on a basis consistent with that in which the Estimates are prepared.

- The budget analyst positions are often staffed by inexperienced individuals who lack the necessary budgetary expertise to respond to responsibility centre managers' need for assistance.

The Department should seek to upgrade the budget analyst function.

This recommendation is accepted in principle and in virtually all cases this is done. However, because of changes in priorities in various departmental programs and unforeseen changes in plans which increase costs of services, the charges for such services have been to the areas which gave rise to the change.

The budget analyst positions have been upgraded by one position classification level. This area will also be subject to further study.

FINANCIAL SYSTEMS AND REPORTS

- Departmental financial transactions are recorded in two separate formal financial systems. In addition to utilizing the financial reporting services of the Department of Supply and Services, the Department also maintains its own computerized financial reporting system.

Inputs to the two systems are mainly prepared independently, thus resulting in inefficiency and differences between total expenditures reported by the two systems.

The Department should exchange expenditure input data with the Department of Supply and Services in machine readable format.

- Users of financial reports receiving copies of reports from both formal systems are not provided with a reconciliation between the total expenditures reported by the two systems.

Reconciliations of financial statements should be reviewed and initialled by a senior financial officer of the Department and a copy of the reconciliation should be sent to the applicable expenditure report recipients.

This recommendation has been reviewed. With the present practice of numerous small batches each day serving as input to several DSS systems the implementation of this recommendation is impractical for the time being.

Many of these reconciliations were already reviewed by financial officers and in future all will be reviewed and initialled. Such reconciliations probably need not leave the division when other recommendations of this section are implemented.

OBSERVATIONS AND RECOMMENDATIONS

- Supplementary accounting systems maintained by responsibility centres should be eliminated.
- Each region maintains a system of manual expenditure accounting records which is independent of the formal financial reporting system.

The regional accounting systems should be integrated with the Department's expenditure reporting system.

- The regional accounting systems and the Department's Cash Management Reports should separate the various activity elements within the Consumer Affairs Program.
- Revenue summary reports should be distributed to the responsibility centres which collect the revenue.

USE OF FINANCIAL REPORTS

- The Department's Cash Management Reports should be prepared for all responsibility centres having budgetary responsibility and spending authority.
- Financial and Administrative Services should determine which reports are really necessary for responsibility centre use and discontinue the preparation of the remainder.
- Executive summary reports should be modified to present information in a less technical manner.
- At present the Department's handling of reports received from the Department of Supply and Services is causing excessive delays in distribution to users.

The Department should utilize the report distribution service of the Department of Supply and Services.

ACCRUAL ACCOUNTING

- At present, financial reports present cash expenditures only.

Significant accruals should be recognized in the Department's financial reports.

DEPARTMENTAL COMMENTS

Where there is a duplication such systems will be eliminated following an analysis of the requirements of each individual responsibility centre.

This recommendation will be implemented during 1975.

This recommendation will be subject to further study during 1975.

This recommendation will be implemented during 1975.

This recommendation will be implemented during 1975.

A major study is presently being conducted by Financial and Administrative Services to implement this recommendation.

This recommendation will be implemented as a part of the major study referred to immediately above.

The continuance of the distribution of reports from the Department of Supply and Services depends on the results of the special study referred to above.

This recommendation will be implemented during 1975.

**RESOURCE MANAGEMENT REPORTING
SYSTEM**

- The Resource Management Reporting System provides output-oriented information for certain of the Department's activity elements.

The accuracy and usefulness of reports produced by the Resource Management Reporting System should be improved by: appropriate monitoring of input to the system; verifying the mechanical and typing accuracy of the reports produced; comparing budgeted and actual units of output; and preparing effective supplementary narrative analysis.

This recommendation has been partially implemented. Implementation will be completed during 1975.

DEPARTMENT OF ENERGY, MINES AND RESOURCES

Observations and Recommendations as at May 1975.

Departmental Comments as at July 1975.

The study covered departmental programs contained in Votes 1, 5 and 15 for the 1974-75 fiscal year, but excluded the expenditures of the following votes:

Vote 11a — Petroleum Products Compensation Program

Votes 20 and 25 — Atomic Energy Control Board

Votes 30 and 35 — Atomic Energy of Canada Limited

Vote 47d — Eldorado Nuclear Limited

Vote 50 — National Energy Board

Votes 51b, 52a and 53c — Energy Supplies Allocation Board

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

SENIOR FINANCIAL OFFICER

- A Senior Financial Officer has not been designated and the appropriate duties have been carried out by several officers at different organizational levels.

A Senior Financial Officer having strong financial qualifications and experience should be designated in writing, should report directly to the Deputy Minister and should be part of the departmental executive group through membership on the policy and executive committees. The written designation of the Senior Financial Officer should include the provision that the position is to provide strong functional direction over branch financial officers and other persons performing financial functions at the branch level and over their recruitment, development and evaluation.

A Senior Financial Officer will be designated with the terms of reference clearly stating his relationship with the departmental Executive and with Branch financial officers.

STAFFING OF FINANCIAL FUNCTION

- The availability of appropriate financial expertise is required within each branch due to the complexity of branch operations, the diversity of financial system requirements and the need to give functional direction on branch accounting matters to responsibility centre managers and provide knowledgeable financial advice to branch management.

OBSERVATIONS AND RECOMMENDATIONS

A financial officer, whose immediate superior is either the Branch Head or the Senior Financial Officer, should be designated in each branch. Each should have adequate financial qualifications in the opinion of the Senior Financial Officer and, if he deems it necessary, be classified within the financial administration ("FI") group at the appropriate level.

A comprehensive training program should be documented and implemented for Financial Services Division staff, branch financial officers and other persons performing financial functions within the branches.

FINANCIAL MANUAL

- The majority of the departmental Financial Manual has not been written and much of what has been written lacks sufficient detail for use at branch and responsibility centre levels.

The departmental Financial Manual should be completed with financial responsibilities and procedures stated in detail for responsibility centres, branches and Financial Services Division.

DOCUMENT CONTROL

- Source documents are now batched in Financial Services Division. However, if batching were instituted at the earliest possible point in the accounting system, it should provide better document control and more accurate cut-off information than is now available to operating managers.

Batch control of documents input to the central financial information system should be initiated and carried out at the responsibility centre or branch level.

- Inadequate evidence is retained in the Department to enable effective subsequent management or audit review of the controls applied to specific transactions. The original source documents such as suppliers' invoices, travel claims, cheque requisitions and coding forms are sent to the Department of Supply and Services.

DEPARTMENTAL COMMENTS

Departmental policy now requires that this recommendation be effected as soon as is feasible.

The recommended training program will be developed and operated on a regular basis as soon as the financial systems and related manual have been developed.

Completion of the departmental Financial Manual has been given high priority, giving due attention to the level of detail required.

Appropriate batch control procedures are now fully implemented.

OBSERVATIONS AND RECOMMENDATIONS

The original source documents showing signatures under Section 27 of the Financial Administration Act and other controls should be retained in Financial Services Division.

PRE-AUDIT

- Pre-audit procedures are not uniformly established throughout the Department and some functions are duplicated at different organizational levels.

Uniform pre-audit procedures should be established and documented and their performance should be evidenced by the initials of those performing the various pre-audit functions being placed on originals of source documents, within an appropriately designated audit stamp.

PAYMENT CONTROL

- The amount figure shown on departmental cheque requisition forms can be raised fraudulently after the application of the signature under Section 26 of the Financial Administration Act.

The cheque requisition amount field should be completed in such a way that additional digits cannot be inserted in front of those originally entered.

- A review of cash receipts disclosed that there have been some instances of duplicate payment of supplier's invoices.

One copy of the invoices submitted by suppliers should be stamped "original invoice" in coloured ink when initially received in the Department and cheque requisitions should be processed only if they are accompanied by this original invoice.

PAYROLL

- Delays in the recording of overtime costs and the appropriate costs relating to employees transferred into and out of the Department result in inaccuracies in the financial reports. Duties are improperly segregated in that those persons responsible for preparing input to the payroll system also receive the pay cheques for distribution. No independent predetermined controls are established over payrolls.

DEPARTMENTAL COMMENTS

The original source documents duly pre-audited according to uniform instructions, and stamped to evidence that all necessary steps have been carried out, will be retained in Financial Services Division.

Uniform pre-audit procedures will be established and documentation will be made of audit steps performed by initials being placed over an audit stamp on original source documents.

The cheque requisition amount field will be completed so as to eliminate the possibility of raising the amount.

All copies of invoices other than the original will be stamped "COPY" to prevent an expenditure being made where it can only be supported by a duplicate.

OBSERVATIONS AND RECOMMENDATIONS

The Senior Financial Officer should be given the responsibility of ensuring the adequacy of the existing system of financial controls operated by the Personnel Branch over payrolls and the system of man-year accounting.

REVENUE AND ACCOUNTS RECEIVABLE

- An annual review of fees charged and free services rendered should be conducted by the Senior Financial Officer and recommendations should be made annually to Treasury Board. Such recommendations should be supported by figures showing the fees being charged, the recommended fees and all costs applicable to each fee charged.
- Weaknesses have been identified in existing accounting procedures and controls over revenues and accounts receivable relating to: lack of proper segregation of duties; failure to maintain proper control accounts and, where these are maintained, failure to balance them regularly with subsidiary records; lack of preparation of monthly aged accounts receivable listings for submission to management and lack of defined collection procedures to minimize loss of crown assets.

A complete review should be made of revenue and accounts receivable systems with particular attention to the following:

- (a) Duties relating to the maintenance of accounts receivable and revenue records should be segregated in such a way that no one individual can receive cash, maintain accounts receivable records and issue billings and credit notes.
- (b) Control accounts for each accounts receivable system should be maintained and should be balanced independently with the listing of the subsidiary accounts receivable records.
- (c) Monthly aged detail listings of accounts receivable should be prepared for management visibility and control.

DEPARTMENTAL COMMENTS

The Senior Financial Officer will be given this responsibility and will carry out the appropriate review.

A periodic analysis of fee structures and related costs will be conducted.

The systems of revenue and accounts receivable will be fully integrated with the central financial information system and changes will be made to give effect to the maintenance of proper controls, segregation of duties, aging and collection procedures, with appropriate consideration being given to uniformity throughout all branches of the Department.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

- (d) Collection procedures should be instituted and documented on a uniform basis throughout the Department and be approved by the Senior Financial Officer.

MATERIELS AND CAPITAL EQUIPMENT INVENTORIES

- Some branches do not make an annual physical count of unit stores as required by the materiel management manual. Internal stores issues are made to branch personnel without supporting documentation. Access to unit stores areas is not restricted to storeroom personnel. Inventory records are maintained by employees who initiate purchase requisitions for stores and receive and issue stores materiels. There are no accounting control procedures to ensure that all purchases of equipment are recorded in the detailed equipment inventory records and in several branches these records are not accurate. In addition inventory levels are not evaluated in relation to asset use.

The Senior Financial Officer should ensure correction of the identified deficiencies in inventory control systems.

The Senior Financial Officer will ensure correction of identified deficiencies and the required amended procedures will be reflected in the Financial Manual.

SPECIAL PROJECT DEPOSITS

- There are no detailed accounting procedures covering special project deposits received from outside organizations for research work. Control weaknesses exist over the disbursement of funds and the disposition of balances on completion of projects.

Departmental financial control procedures relating to special deposits received under Section 15 of Part II of the Financial Administration Act should be developed and documented and approval of these procedures should be obtained from Treasury Board.

These procedures have already been documented and Treasury Board approval has been obtained.

INTERNAL AUDIT

- Internal audit was not carried out prior to 1974. Since that time Audit Services Bureau have been carrying out internal audit functions under a three-year audit program submitted by them, with completion scheduled for April 30, 1977.

OBSERVATIONS AND RECOMMENDATIONS

The internal audit program submitted by Audit Services Bureau should be completed within the stipulated three-year time period, under the supervision of the Chief, Internal Financial Audit.

- The Chief, Internal Financial Audit reports to the Senior Assistant Deputy Minister in order to ensure adequate consideration of audit findings and recommendations. An audit committee should serve as an effective organizational device to assist the Senior Assistant Deputy Minister with respect to his responsibilities concerning the internal audit function.

An audit committee should be established and documentation made of its terms of reference, which should include the annual review of the scope of internal audit coverage, the findings and recommendations contained in audit reports and the evaluation of the performance of the internal audit group at appropriate intervals.

PROGRAM ACTIVITY STRUCTURE

- Activity and sub-activity descriptions which relate generally to organizational lines are recognized by the Department as not being appropriate for output performance measurement.

The activity and sub-activity definitions should be revised in all programs and submitted to Treasury Board for approval.

PROJECT ACCOUNTING

- Projects and process structures, the fundamental level of operations for which costs should be captured and controlled, have not been fully defined within certain sectors of the Department such as Energy Development; Mineral Development and Administration.

Project and process structures should be defined for all activities.

Cost-based project accounting systems should be installed in all branches of the Department to report periodically on the status of projects.

DEPARTMENTAL COMMENTS

The Department concurs with the recommendation with respect to the time period for normal completion of the internal audit program.

The Department will establish an audit committee with appropriate terms of reference.

These revisions are already well advanced. The Department has recognized the shortcomings of its present financial system and is embarking on a complete restructuring of it. This restructuring will incorporate all of the recommendations included under "Project Accounting", "Budgetary Control", "Commitment Control" and "Financial Reporting".

Project and process structures will be developed as soon as the revisions to the activity and sub-activity definitions are completed.

See reply under Program Activity Structure.

OBSERVATIONS AND RECOMMENDATIONS

Valid dollar and non-dollar criteria for the measurement of efficiency and effectiveness of project progress should be developed and documented and project expenditures incurred should be compared with project plans for performance monitoring and for benefit/cost analysis.

See reply under Program Activity Structure.

BUDGETARY CONTROL

- There is a lack of budgetary control because monthly budgets for many responsibility centres have not been put into the central financial information system. Many of those have used 1/12 of the annual budget to arrive at monthly budget figures. In addition, budgetary changes including allocations from other government departments have been input late.

Monthly budgets should be put into the central financial information system for all responsibility centres based on realistic estimates of monthly expenditures.

See reply under Program Activity Structure.

COMMITMENT CONTROL

- Delays occur in entering commitment data and commitments expected to be liquidated within the current month are usually not entered in the integrated commitment control system. This results in inaccurate commitment controls whenever any commitment has not been entered into the system and it does not get fully liquidated within the current month.

All commitments should be put into the integrated commitment control system whether the commitments are to be fully liquidated within the current month or not.

See reply under Program Activity Structure.

FINANCIAL REPORTING

- The central financial information system monthly reports receive limited use throughout the Department because of delays in entering expenditure and commitment data and are subject to criticism concerning report format and appropriateness of report content.

Monthly reports from the departmental computer should comply with the revised activity and sub-activity structure and be in a format appropriate for the use of departmental management at all levels.

See reply under Program Activity Structure.

DEPARTMENTAL COMMENTS

**OBSERVATIONS AND
RECOMMENDATIONS**

Concise supplementary financial management reports should be prepared monthly within each branch highlighting significant variances from budget and their analysis and disclosing aged control account balances of accounts receivable.

DEPARTMENTAL COMMENTS

See reply under Program Activity Structure.

DEPARTMENT OF THE ENVIRONMENT

Observations and Recommendations as at May 16, 1975.

Departmental Comments as at July 9, 1975.

The study was directed primarily toward an evaluation of the effectiveness of the present financial management and control systems within the three Departmental Programs. In addition to Departmental and Service Headquarters in the Ottawa-Hull area, visits were made to Downsview, Burlington, Winnipeg, Edmonton, Vancouver, Victoria and Halifax. The Fishing Vessel Insurance Plan, Freshwater Fish Marketing Corporation and Canadian Saltfish Corporation were specifically excluded from the study.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

ORGANIZATION AND STAFFING

- The organization and staffing of the financial function within the Department should be given further study, with a view to:
 - (a) determining the optimum degree of decentralization of the financial function as between the departmental, program, service, regional and establishment levels;
 - (b) more clearly defining the roles and responsibilities of financial staff at each of these levels;
 - (c) determining the adequacy of staffing arrangements within each financial unit; and
 - (d) identifying the existence of individual pockets of financial expertise within the Department, and assessing the relative benefit of continuing on the present basis or of combining them with the appropriate level of financial management.

Agree. A study will be undertaken as soon as possible.

FUNCTIONAL RELATIONSHIPS

- Functional reporting relationships should be clarified and documented. The documentation should clearly indicate that the Departmental Financial Services Branch has the ultimate authority and responsibility for the system of financial management and control to be used within the Department.

Agree. Policy statement will be issued.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

- Senior financial officers in the Departmental Financial Services Branch should actively participate in functional guidance, career planning, professional development and training of subordinates.

Agree. Appropriate action will be taken.

FINANCIAL MANUAL

- The planned revision of the financial manual should be carried out as soon as possible. Care should be taken to ensure that the manual includes:

Action under way.

- (a) supplements for each service, where appropriate, approved by the Departmental Financial Services Branch; and
- (b) instructions as in the Treasury Board Guide on Financial Administration for topics not now covered or not adequately covered.

DELEGATION OF FINANCIAL AUTHORITIES

- The Departmental Financial Services Branch should, as a temporary measure, ensure that officers of the Ministry of Transport exercising financial authorities under Sections 26 and 27 of the Financial Administration Act on behalf of Environment Canada have adequate information to do so properly.

Will be done.

ACCOUNTING CONTROLS

- Departmental policies and procedures with respect to accounting controls should be formulated and then documented to ensure the accuracy, authority and appropriate degree of completeness of all data entering the accounting system. In particular, the system should ensure that:

Agree. Policies and systems will be reviewed.

- (a) prescribed controls are adhered to; and
- (b) special controls are used in areas where normal procedures are not practical.

PAYROLLS

- The payroll and related systems operated by the Personnel Directorate, and all revisions thereto, should be subject to continuing review and approval by the Departmental Financial Services Branch as well as regular audit by Departmental Internal Audit.

Will be done.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

INTERNAL CONTROL OVER REVENUES AND ACCOUNTS RECEIVABLE

- The Departmental Financial Services Branch should undertake a comprehensive review of the effectiveness of all the systems of internal control over revenues and accounts receivable throughout the Department with particular emphasis on the adequacy of the existing division of duties and on the need for monitoring the billing and collection process at the appropriate management level.

Agree. Review will be undertaken.

REVENUE POLICIES

- The Departmental Financial Services Branch should:

Agree. Will be done.

- (a) establish and document policies related to revenue recovery;
- (b) communicate such policies throughout the Department;
- (c) establish a procedure for regularly reviewing the appropriateness of cost recovery rates; and
- (d) ensure that senior departmental management and Treasury Board are kept fully informed of the financial implications of current policies and of the need for their constant revision.

INVENTORIES OF SUPPLIES

- The Departmental Financial Services Branch should collaborate with the Materiel Management Division in establishing appropriate accounting controls over inventories and in providing stronger functional direction in this area by identifying and reviewing current inventory systems and by developing improved systems where required.

Agree. Action already under way.

CAPITAL EQUIPMENT

- The Finance and Facilities Directorate should establish an equipment control system that can be consistently applied throughout the Department and which assigns specific responsibility to regional responsibility centre managers and stores managers for the custody and control of all capital equipment. Such a system should also provide for:

Agree. Action under way.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

- (a) proper monitoring of the system through physical inspections and procedural reviews by appropriately qualified personnel; and
- (b) approval of all revisions by the Materiel Management and Financial Management Divisions.

LOANS RECEIVABLE

- The Department should review its policies and procedures with respect to loans to ensure that: Agree. Review has commenced.
- (a) clarification is obtained as to who has the authority to amend the terms and conditions of loan agreements;
- (b) loans or prospective loans to the same party from different branches are adequately co-ordinate; and
- (c) a mechanism exists for ensuring that loans advanced through a requisitioning process do not exceed the limits approved for the loan.

INTERNAL AUDIT

- Although the Internal Audit Division has only recently been established we feel that every effort should be made to fill, as quickly as possible, existing staff vacancies in this Division. Agree. Action under way.
- The Internal Audit Division should be used as the vehicle to monitor the implementation of all internal and external recommendations of a financial or administrative nature that are adopted by the Department. Agree.
- The composition of the proposed Audit Committee should be revised to include the Assistant Deputy Minister Planning and Finance in its membership. Composition of the Committee will be reviewed.
- The annual audit report prepared by the Chief, Departmental Audit, as well as such interim reports as deemed appropriate by him, should be submitted to the Deputy Minister. Will be done.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

PROGRAM/ACTIVITY STRUCTURE

- The Department should review its existing Program/Activity Structures with a view to deciding on the one most appropriate for planning, for program evaluation resource allocation and for budgetary control within the Department.
- The vote wording for the Fisheries and Marine Program and the Environmental Services Program should be revised to indicate that the costs of the centralized personnel function are included in the funds being requested for each program.

Agree. Action under way.

Agree, subject to review of method of funding.

BUDGET PREPARATION

- The Department should establish and document a more effective system of budget preparation that will ensure:
 - (a) that the plans and priorities of senior management are preserved throughout the process;
 - (b) that new programs and changes to existing programs are reviewed and challenged, where necessary, at successively higher levels of management; and
 - (c) that continuing programs are reviewed periodically to ensure that their continued existence is still justified.

Agree. System currently being developed.

BUDGET CONTROL

- Departmental Financial Services Branch should review the need to maintain existing mechanically produced allotment control records in light of the information already available in the Department of Supply and Services reporting system.
- Departmental Financial Services Branch should be directly involved in the development of Operational Performance Measurement Systems now under way in the Department.
- The Department should employ more sophisticated cost accounting techniques in cases where more visible and meaningful information on project costs would result.

Review will be made.

Agree. Will be done.

Agree. Review will be undertaken to determine areas where most benefits would occur.

**OBSERVATIONS AND
RECOMMENDATIONS**

DEPARTMENTAL COMMENTS

FINANCIAL REPORTING

- | | |
|--|--|
| <ul style="list-style-type: none">• The Department of Supply and Services reporting system should be assessed to evaluate the practicability of using information from it for a more meaningful monthly management report.• The existing monthly financial management report to senior management should:<ul style="list-style-type: none">(a) provide financial information on a well-defined departmental activity basis appropriately subdivided to the activity element level, where required; and(b) contain more complete explanations of variances, the reasons for projected year-end deficits and suggestions for the financing of these deficits.• Senior management should communicate their decisions concerning the ultimate disposition of deficits to departmental managers.• The development and use of supplementary financial reporting systems in the Department should be subject to approval by the Departmental Financial Services Branch. | <p>Agree. Will be done.</p> <p>Agree. Work will be continued.</p> <p>.</p> <p>Agree. Will be done.</p> <p>Agree. Action will be taken.</p> |
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DEPARTMENT OF EXTERNAL AFFAIRS

Observations and Recommendations as at July 1975.

Departmental Comments as at September 1975.

The study covered the program "Canadian Interests Abroad" reporting to the Under Secretary of State and included the Passport Office operations. It excluded the operating expenditures of the following vote:

Vote 20: World Exhibition Program

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

ORGANIZATION

DESIGNATED FINANCIAL OFFICER

- The Minister should designate the Assistant Under Secretary of Finance and Administration or the Director-General of Finance and Administration as the Senior Financial Officer.

The responsibility for providing senior financial advice to departmental management is well understood within the organization. The lack of formal documentation confirming the Minister's designation of the responsibility will now be rectified.

RESTRUCTURE

- An imbalance exists in the allocation of staff resources with many man-years invested in detailed post-audit of limited value, while internal financial audit is neglected and more effective financial management information and support service is needed.
- The Department should restructure its financial function to provide a more innovative management information and support service and to take full advantage of the scope for more effective financial control.

The Department intends to develop an internal audit capability and to phase out the detailed financial audit now performed on both a pre- and post-payment basis.

Studies on all aspects of financial administration are being undertaken with the object of reorganizing the financial functions of the Department to conform more closely with the Treasury Board Guide on Financial Administration and to correct shortcomings noted in this report.

FUNCTIONAL DIRECTION

- The designated Senior Financial Officer should ensure that financial policies and directives are communicated to all persons for whom he has functional responsibility.

Financial policies and directives are being communicated throughout the Department through the Manual of Financial Management and Financial Management Letters.

OBSERVATIONS AND RECOMMENDATIONS

- Senior financial officers should play a more active role in preparing position descriptions and in reviewing performance of more junior financial staff throughout the Department.

DEPARTMENTAL COMMENTS

The Director, Finance Division, is consulted on the position descriptions of all financial staff and participates in the performance review of all FIs.

MANUALS

The Department has developed comprehensive manuals of Materiel Management, Property Management and Financial Management mainly for post operations.

- The Manual of Financial Management should be extended to include at least the following:

There has been some delay in completing certain sections of the Manual and an officer has now been recruited specifically for this purpose.

Headquarters accounting and audit procedures

Organization charts

Descriptions of all financial systems

Procedures for control of revenue and expenditures

Budgetary control procedures

Financial reporting procedures

ORGANIZATION CHARTS

- The Department should have a current, approved master organization chart and sub-charts showing all reporting relationships including those related to functional responsibilities.

As the Department's pattern of organization creates an unusually large number of functional relationships on the operational as well as the administrative side, it is considered quite impractical to display them on a single master organization chart. On the other hand, it is fully agreed that the responsibilities within the financial function should be adequately documented and measures are being taken to ensure that this is done.

POSITION DESCRIPTIONS

- Position descriptions for officers with financial responsibilities should be reviewed and when necessary should be redrafted to emphasize financial management responsibilities and tasks.

The Department agrees with this observation and will incorporate the recommendation in the normal position description review performed by the USSEA under delegation from the Public Service Commission.

DELEGATION OF AUTHORITIES

- The delegation of authorities document signed by the Minister should specify that:

- (a) delegated authority shall not be redelegated;

While not included on the delegation of authorities document the Department is ensuring compliance with these requirements by performing a detailed financial audit, subject to the under-noted exceptions.

OBSERVATIONS AND RECOMMENDATIONS

- (b) no person in an acting capacity shall be permitted to exercise the authorities given to a position unless properly designated in writing by an officer to whom the incumbent of the position reports;
- (c) payment authority shall be exercised only when the certificate required under Section 27 of the Financial Administration Act has been provided by a person delegated appropriate spending authority;
- (d) spending authority and payment authority shall not be exercised by the same person for a particular payment; and
- (e) payment authority shall not be delegated to positions classified below the Financial Administrator 2 level.

PAYROLL

- The responsibility for the preparation of payroll data and the updating of payroll records is primarily a personnel function. Personnel officers are not financially oriented and there is a lack of awareness of the need for financial controls over payroll.
- Controls over payroll procedures both at headquarters and posts abroad should be established and documented. The responsibility for establishing and monitoring these controls should be assigned to financial officers.

OTHER EXPENDITURES

- The Department should ensure that accounting controls in the system for expenditures are established at the earliest possible point in the process and maintained throughout the manual, mechanical and computer operations.

REVENUE

- Procedures and controls for the collection and accurate recording of all revenues should be documented.

DEPARTMENTAL COMMENTS

(d) occasionally spending authority and payment authority is exercised by the same senior officer for certain payments of a recurring nature, where another officer with the requisite authority is unavailable;

(e) since payment authority is presently restricted primarily to Finance Division following detailed audit, some experienced personnel at the Clerical and Regulatory level 6 do authorize payments within specified financial limitations.

The preparation of payroll data and updating records is performed by compensation clerks supervised by an Administrative Officer who is fully qualified in compensation matters. A financial officer functionally responsible to the Director, Finance Division, exercises control over the salaries and allowance budgets.

While control procedures do exist, it is agreed that they should be identified and documented. Financial officers will be involved in the documentation and monitoring.

This recommendation will be implemented with the introduction of detailed commitment control procedures now being formulated.

The procedures respecting revenues and other accounts receivable will be documented in the Manual of Financial Management.

CONTROL OF ASSETS

- All accountable furniture, fixtures and equipment should be physically controlled on the basis of quantity, cost and location. Numbered tags should be used, where appropriate.
- The Department should integrate the subsidiary accounting system for headquarters' asset control into the system in effect for controlling capital assets abroad.
- The Department should reconcile annually total acquisitions of accountable assets recorded in the subsidiary system to totals of line objects in the principal accounting system.

The control of materiel assets at posts is provided for through a computerized inventory system accompanied by physical checks, as detailed in the Manual of Materiel Management. A similar system is being introduced for materiel assets at Headquarters but will be segregated from the former for administrative convenience.

The feasibility of reconciling acquisitions as recorded in the computerized inventory system with total expenditures by line objects will be considered during the departmental study of all aspects of financial administration.

INTERNAL AUDIT

An Inspection Service Division reporting to the Under Secretary of State conducts operational audits of posts abroad which include limited tests of financial systems and procedures. There has been no internal audit of the headquarters and passport operations.

- The scope of operational audits at posts abroad should be expanded to give greater coverage as well as to include reasonable tests of financial systems and procedures.
- There should be an internal audit of the headquarters and passport operations.
- The Department should establish an Audit Committee which would:
 - (a) review internal audit reports and actions taken on findings; and
 - (b) approve the audit coverage proposed by the internal audit group.

The scope of audits will be expanded during the current year as a consequence of the provision of additional man-years which permits the formation of two four-man inspection teams. In addition, in the context of the departmental study on all aspects of financial administration, consideration will be given to a further expansion.

The establishment of an Audit Committee will be considered in the context of the departmental study on all aspects of financial administration.

BUDGETARY CONTROL

FORECASTS AND MAIN ESTIMATES

- There should be better documentation of all planning decisions and reviews.

It is considered that Planning decisions and reviews are adequately and closely controlled. However, it is agreed that they could be better documented in a formal sense.

MANPOWER BUDGETING

- The Department has in the past budgeted 100% of man-years and salary dollars. Unforeseen costs such as overtime and casual labour have been covered out of reserves created in salary dollars due to delays in filling vacancies.

Salary dollars included in the Main Estimates should reflect conditions imposed by time lags in filling vacancies. The Department should ensure that each known expenditure such as overtime and casual labour is forecast and reported by separate line object.

The Program Forecasts and Estimates Manual does not require that any adjustment be made for time lags in filling vacancies. Since the net result would be comparable the Department considers it more realistic to budget salaries in the gross amount to cover continuing and casual employment than to attempt to forecast separately. Overtime is in fact budgeted for by separate line object and has been for a number of years.

BUDGET PROCEDURES

- The Department should formalize and document policies concerning the requirements, preparation, challenge and approvals of budgetary submissions including identification of independent verification of mechanical and clerical accuracy of the submissions and supporting documents.
- Improved budget variance analysis procedures should be developed.

The Department will formalize and document policies and procedures on budgets in the Manual of Financial Management. Verification of submissions will become part of the standing procedures.

Action will be taken to improve variance analysis as a consequence of a recent organizational change in Finance Division.

COMMITMENT CONTROL

- The system of commitment accounting and control throughout the Department should be refined and documented to provide accurate and consistent recording in the financial reports.

It is agreed that commitment accounting and control should be refined and documented. Different systems are being studied at the present time in order to develop the most appropriate systems for departmental operations.

STAFFING

- The Department should make every effort to ensure that the staffing of the Estimates and Forecasts section is commensurate with the senior nature of the responsibilities involved and is capable of providing an effective support to responsibility centres.

The staffing and reorganization of the Estimates and Budgets Section will be one of the prime considerations of the departmental study on all aspects of financial administration.

FINANCIAL REPORTING

- While the Department utilizes the services of the Department of Supply and Services for its financial reporting, it also maintains its own accounting system for allotment control purposes.
- Reconciliations of financial information produced by the Department's accounting system and that produced by DSS should be reviewed and initialled by a senior financial officer.
- The Department should study and develop means of improving the system of financial reporting, preferably through the services of DSS, specifically to implement:

(a) man-year utilization;

(b) accurate commitment accounting; and

(c) accrual accounting when necessary.

- The Department should exchange expenditure input data with DSS in machine readable format, and should continue to explore possibilities of minimizing any duplication in data preparation and financial reports.

DSS provides a cash and a budget reporting service to the Department which maintains separate cash and allotment records for control and reconciliation purposes.

In future reconciliations between departmental accounting records and DSS will be reviewed and signed by senior officers in Finance Division.

This recommendation will be considered during the study now under way on all aspects of financial administration.

An experimental project to provide input data by cassette tape is now in the planning stage in co-operation with DSS.

PASSPORT OFFICE

- The Operating Procedures Manual should be completed to include all control procedures for revenue and expenditures.
- The possibility of integrating the departmental system as it applies to the Passport Office and the accounting system of the Passport Office into the DSS system should be investigated.

Control procedures exist as directives and are followed in practice. The Operating Procedures Manual is designed primarily to describe the normal operating procedures to be followed by Passport Office staff in processing applications and issuing passports. Chapters are provided for support services such as Personnel, Finance and Administration and it is intended to complete these as soon as possible.

This recommendation will be considered during the study on all aspects of departmental financial administration.

DEPARTMENT OF FINANCE AND TREASURY BOARD SECRETARIAT

Observations and Recommendations as at April 30, 1975.

Departmental Comments as at July 1975.

In addition to appropriations financing the programs of the Department and the Secretariat the study included procedures related to the loans and investments accounts, current and demand liabilities, deposit and trust accounts and the deferred and special accounts which are part of the Accounts of Canada and appear in the Statement of Assets and Liabilities.

As the Department of Finance's Finance, Personnel and Administration Branch provides joint administrative and financial services to the Department of Finance (Department) and the Treasury Board Secretariat (Secretariat) the observations and recommendations have been divided into three areas of responsibility, those that are common to the Department and Secretariat, those that apply only to the Department and those that apply only to the Secretariat.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENT'S AND SECRETARIAT'S COMMENTS

COMMON TO DEPARTMENT AND SECRETARIAT

ORGANIZATION

- Either the position of Director, Finance, Personnel and Administration Branch or one of the positions of Assistant Director should be filled by a person with a qualified accounting background.

Agree. This would be desirable.

FUNCTIONAL RESPONSIBILITIES

- The responsibility of the Financial Services Division for giving functional guidance and direction in financial matters should be defined and communicated through the Manual of Internal Administration.

This will be more completely documented in the Manual of Internal Administration by August 31, 1975.

TRAINING AND DEVELOPMENT

- No appropriate training programs are offered on the Department's and Secretariat's financial management and control systems.

OBSERVATIONS AND RECOMMENDATIONS

Financial Services Division's training and development program should be extended to cover administrative officers having financial responsibilities within the branches.

ACCOUNTING CONTROL OF EXPENDITURES

- The procedure of batching cheque requisitions for submission to the Department of Supply and Services paying offices should incorporate a control, as a precaution against fraud and error, whereby a responsible financial officer of Financial Services Division independent of the payment officer, as the final procedures before submission, ensures that payment documents are properly authorized under Sections 26 and 27 of the Financial Administration Act.

PAYROLL

- Procedures relating to distribution of payroll cheques are not adequate since they do not provide for independent checks to guard against fraudulent practices.

Financial Services Division should exercise a functional responsibility for financial controls over payroll and periodically should distribute the payroll cheques.

REMITTANCES BY MAIL

- Cash receipts are not recorded in the presence of another employee, as mail is opened, to ensure that all revenues are collected and accounted for.

Arrangements should be made to ensure adherence to requirements of the Receipt and Deposit of Public Money Regulations in respect to mail opening.

A specific endorsement stamp should be used by the Central Mail Room to stamp all cheques and negotiable instruments as the mail is opened to prevent cashing by unauthorized persons.

Financial Services Division should institute a review of the mail opening procedures to determine whether cash blotters should be maintained in the Records Offices.

DEPARTMENT'S AND SECRETARIAT'S COMMENTS

There is no general or continuing requirement for such training. Individual needs are met through courses conducted by the PSC and special briefings by the Financial Services Division.

This will be considered.

Agree.

Implemented.

To be considered.

Cash blotters are now maintained in the Records Offices.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENT'S AND SECRETARIAT'S COMMENTS

FURNITURE AND EQUIPMENT

- The accounting system now being developed should be implemented in 1975 to ensure that all furniture and equipment acquired by the Department and the Secretariat are accounted for on a quantitative basis.
- Program and responsibility centre managers should be held accountable for all furniture and equipment located within their areas.

The development of such a system is nearing completion.

The new system will require managers to accept responsibility for their capital assets i.e. office furniture and equipment.

INVENTORIES AND MATERIEL

- The Finance, Personnel and Administration Branch should set up an appropriate system to monitor the implementation of the new inventory control system to ensure its completion by 1975.
- The Finance, Personnel and Administration Branch should establish quantitative controls over all stocks of furniture, equipment and supplies.

When the new system is fully implemented, it will be reviewed periodically as part of the internal audit program.

The new system will establish required quantitative controls.

INTERNAL AUDIT

- The diversified programs and accounts of the Department and the Secretariat are not currently subject to internal audit.

An internal audit section should be established for the purpose of auditing and reporting on all programs and activities of the Department and the Secretariat.

Now established.

PROGRAM FORECASTS/MAIN ESTIMATES

- Program Forecasts are currently projected from a resource base approved in past years instead of from a plan developed according to future needs.

The Department's and the Secretariat's Program Forecasts should disclose selected activity priorities and actual resource requirements.

- In order to encourage greater commitment to their budgets, program and responsibility centre managers should play a more positive role in the preparation of the Main Estimates and operating budgets.
- Manpower resources are planned on the basis that skilled employees are available immediately and can be hired on short notice.

The Program Forecasts are submitted in a form which is generally incremental but, in fact, they are developed on the basis of priority determination and a complete examination of total resource requirements.

It is difficult to foresee a more active role for managers in these areas but the suggestion will be considered.

OBSERVATIONS AND RECOMMENDATIONS

Manpower resources indicated in the Estimates should reflect the limitations imposed by hiring procedures and the projected market for skilled employees.

OPERATING BUDGETS

- The responsibility centres should be reduced in number either to the branch level or to a level that will provide the most effective control over the use of financial resources.
- Financial Services Division should provide responsibility centre managers with comparative analyses between budgeted and actual man-years and expenditures so as to hold them accountable for initiating corrective measures and to assist them in the preparation of future budgets.
- Salary reserves and cost-of-living salary increases should be shown in budgetary reports as soon as they are known and become operative.

MANAGEMENT REPORTS

- Department of Supply and Services Management Reports are not fully understood by some program and responsibility centre managers and contain errors and deficiencies which tend to reduce managerial confidence in them.

Financial Services Division should take steps to overcome these deficiencies with the aim of providing a more meaningful report for the use of program and responsibility centre managers.

Material errors accumulating in the Department of Supply and Services Invalid Code Statements and other recognized errors that affect the reported results of responsibility centre performance should be recorded manually on Management Reports before distribution.

Reconciliations between Financial Services Division reports and those of the Department of Supply and Services should be reviewed and initialled by a senior official of Financial Services Division.

DEPARTMENT'S AND SECRETARIAT'S COMMENTS

These factors are taken into consideration when Program Forecasts are prepared and then reflected in the Main Estimates.

The present structure is considered appropriate but the suggestion will be considered.

Statements are provided monthly to show man-year and dollar resource variances. Supplementary explanations and/or requests for explanations are made on an exception basis as required.

Budgetary reports will be reviewed to determine if the availability of salary reserves can be identified more clearly.

Agree. This area is to be reviewed by November 1, 1975.

Agree.

Disagree. This is unnecessary where reconciliations of accounts are made but is done on an exception basis where problems are encountered.

**OBSERVATIONS AND
RECOMMENDATIONS**

**DEPARTMENT'S AND SECRETARIAT'S
COMMENTS**

SUPPLEMENTARY SYSTEMS

- In addition to systems specifically reported on herein, other supplementary accounting systems are maintained in the Department and the Secretariat.

Financial Services Division should institute a review of supplementary accounting systems and memorandum records maintained in the Department and the Secretariat to ensure that financial controls are adequate and the systems are not duplicated.

Present project planning provides for a complete review of all internal accounting systems taking into consideration the special operational functions of the Department and Secretariat.

**OBSERVATIONS AND
RECOMMENDATIONS**

DEPARTMENTAL COMMENTS

APPLYING TO THE DEPARTMENT

LOANS RECEIVABLE

- The loan accounts now numbering 4,000 to 5,000 have become more difficult to manage as a manual record system. Complete information on the state of overdue loans and interest payable is not readily obtained from the system.

A suitable system of computerized accounts complete with reconcilable control accounts, now in development, should be completed by the summer of 1975.

The system will be completed in 1975.

The system should incorporate features which will produce, as part of the monthly or periodic statements, information showing all overdue payments of principal and interest on amortized loans and interest payable on unamortized loans.

The system under development incorporates these features.

Consideration should be given to charging interest on past-due instalments relating to amortized loans.

Agree.

Collection procedures should be documented and a suitable follow-up system devised whereby all loan recovery actions are systematically and properly recorded on file for future collection and reference purposes.

Present documentation will be improved to include complete collection procedures.

**LOANS PROGRAMS AND PUBLIC DEBT
PROGRAM**

- The supplementary detailed ledger accounting systems maintained by Financial Services Division to control the Loans Program and the Public Debt Program should be reviewed in conjunction with the Financial Services Division Accounting System and the Department of Supply and Services Cash Management Reporting System to eliminate duplication.

This review is considered to be unnecessary as present systems are working satisfactorily, and they meet the daily information and accounting requirements of the Department without unnecessary duplication.

GUARANTEED LOANS RECEIVABLE

- The present accounting systems and controls exercised over the collection and accounting of defaulted student and economic business loans are inadequate.

A fully oriented computerized system of accounts that will produce a continuous running balance of each loan as transactions occur should be developed and implemented to meet the accounting and financial reporting requirements in respect of such loans.

This is not economically practical or necessary on student loans accounts as a daily running balance is available through our collection agent's computerized accounting system. However, the recommendation is applicable in respect of economic business loans for which a computerized accounting system has been developed.

Control accounts should be established by class of loan.

This is to be done within the Department's planned systems review program.

Provision should be made in the accounts to include the interest which is recoverable on all defaulted loans.

As above.

As part of its program the computerized system of accounts should produce a separate listing of all inactive defaulted loans, including loans written off with proper authority, for the purpose of follow-up and continued control.

A pilot project to accomplish this objective was completed in May and system implementation is under way.

Periodic checks should be made to establish the existence of persons with student and economic business loans.

Agree. Confirmation of loan balances will be included in our internal audit program.

All loan accounts including defaulted student loans without Social Insurance Numbers should be appropriately identified and included in the computerized system of accounts.

This is now in process.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

Periodic or monthly statements should be produced showing the class and the total amount of loans outstanding including interest receivable on student and economic business loans and the defaulted loans awaiting finalization of costs.

Financial Services Division should exercise functional responsibility for the Guaranteed Loan Program's accounting system.

Lending institutions should be reimbursed for defaulted loans taken over from them only when a claim supported by adequate loan documentation is submitted.

A suited and appropriate method of aging accounts should be devised to determine the collectible and non-collectible status of defaulted loans from the date the lending institutions are reimbursed.

The system should provide controls which prevent persons who do not honour their loan obligations from receiving further loan assistance under the Program's other loan plans and from loan assistance programs that are sponsored by other government departments.

This will be done.

This is the Department's policy.

Disagree. This is not considered practical in respect of student loans because they consist of a large volume of small accounts for which the lending institutions hold no security and will not release supporting documentation other than on a pay-now audit-later basis.

This was considered in a pilot project during May and is being implemented.

To be examined.

SUPPLEMENTARY SYSTEMS

- The supplementary accounting system maintained by the Department's Federal Provincial Relations Division should be reviewed in conjunction with the Financial Services Division Accounting System and the Department of Supply and Services Cash Management Reporting System to eliminate duplication.
- The supplementary accounting system maintained by the Department's Municipal Grants Division and the memorandum grants payment record cards compiled by Financial Services Division should be reviewed in conjunction with the Financial Services Division Accounting System and the Department of Supply and Services Cash Management Reporting System to eliminate duplication.

This review is part of the Department's planned review program.

As above.

OBSERVATIONS AND RECOMMENDATIONS

- The statement listing of Municipal Grants payments produced for the Public Accounts should be designed to show the taxation year to which the individual grant payments relate and the amounts paid on behalf of local improvements and for other purposes.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

This will be considered.

SECRETARIAT'S COMMENTS

APPLYING TO SECRETARIAT

GENERAL ANALYSIS OF FINANCIAL OFFICERS

- The classification of program analysts as Financial Administrators presupposes that they possess the knowledge and demonstrated capabilities of financial administrators and enables them to capitalize on the many employment opportunities offered in government in the financial administration field.

Because of the special nature of their work consideration should be given to establishing a separate category for the Secretariat's program analysts.

This is being considered.

SUPPLEMENTARY SYSTEMS

The independent memorandum records and accounting systems maintained by the Secretariat's Pensions and Insurance Division should be transferred to Financial Services Division and similarly reviewed in conjunction with the Financial Services Division Accounting System and the Department of Supply and Services Cash Management Reporting System to eliminate duplication.

The accounting systems maintained by the Pensions and Insurance Division have been transferred to the Financial Services Division and a review will be made of such memorandum records as are still maintained in the Pensions and Insurance Division.

HOSPITAL INSURANCE OUTSIDE CANADA ACCOUNT

- The supplementary detailed statistical and accounting system maintained by Financial Services Division in respect of the Hospital Insurance Outside Canada Account should be reviewed in conjunction with the Financial Services Division Accounting System and the Department of Supply and Services Cash Management Reporting System, to eliminate duplication.

This review is considered to be unnecessary as present systems are working satisfactorily and they meet the daily information and accounting requirements of the Secretariat without unnecessary duplication.

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Observations and Recommendations as at December, 1974.

Departmental Comments as at May, 1975.

Our review was based on all segments of the Department reporting through the Deputy Minister. Thus, it specifically excluded the Grains Group and the following entities:

Foreign Investment Review Agency
General Adjustment Assistance Board
Machinery and Equipment Advisory Board
Metric Commission
National Design Council
Pharmaceutical Industry Development Advisory Committee
Textile and Clothing Board
Minister's Advisory Council

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

SENIOR FINANCIAL OFFICER

- A Senior Financial Officer should be designated and the designate should be a member of the Senior Management Committee of the Department.

This issue is currently under consideration.

COMMUNICATION BETWEEN FINANCIAL SERVICES BRANCH AND OTHER BRANCHES

- Financial officers and administration officers carrying out financial functions in branches outside the Financial Services Branch do not report either directly or functionally to a senior financial officer.

Financial and administration officers outside Financial Services Branch should report functionally to a senior financial officer.

- Various persons in Financial Services Branch are used as a point of contact by administration officers in different branches, based on whom they happened to know, rather than on the basis of the individual in the best position to provide the advice or assistance needed.

An existing officer in Financial Services Branch should handle liaison duties with branch financial and administration officers.

Functional reporting relationships will be established and procedures developed to enable the administration of the functional role.

An officer in the Financial Services Branch will be designated as the liaison officer for branch financial and administration officers.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

FINANCIAL MANUAL

- A specific timetable should be developed for completing the departmental financial manual as soon as possible.

A timetable has been developed for the completion of the financial manual. The completion date scheduled is December 31, 1975.

GRANTS AND CONTRIBUTIONS

- Except for three contribution assistance programs, grants and other types of contributions are not listed by recipient and amount in the Public Accounts.

All individual grants and contributions in excess of a specified dollar limit (say \$25,000) should be listed in the Public Accounts of Canada.

The implication of revealing this information is being reviewed and will be discussed with the Receiver General.

CAPITAL EQUIPMENT

- The cost of capital equipment acquisitions during the year should be reconciled with total annual expenditures in the relevant standard objects of expenditures.

The capital equipment inventory will be recorded in the departmental control accounts in 1975-76.

INTERNAL AUDIT

- Internal audit reports to the General Director, Financial Services Branch. Much of the scope of work carried out by internal audit directly relates to the performance of the Financial Services Branch.

Internal audit should report scope of work and significant findings to a senior member of management outside the Financial Services Branch or to an audit committee comprising several members of senior management.

Consideration is being given to establishing the committee.

ACTIVITY STRUCTURE AND OUTPUT PERFORMANCE MEASUREMENTS

- Programs should be sub-divided to the activity element level in the Department's accounting system and output measures should be developed for those activities where such measures would provide meaningful management information.

Programs will be sub-divided to the activity element level and a data base is being developed which will facilitate "output measurement".

ANNUAL PLANNING FUNCTION

- Responsibility centre managers should be made formally aware of senior management objectives prior to the commencement of annual work plan and program forecast preparation.

Management planning and policy direction for the program forecast year is given to responsibility centre managers. This information will be formalized in future years.

**OBSERVATIONS AND
RECOMMENDATIONS**

DEPARTMENTAL COMMENTS

FINANCIAL REPORTING

- A further review should be made of DSS services so as to minimize, as much as possible, the duplication that exists between Industry, Trade and Commerce and DSS in data preparation for the reporting systems.

A continuous review is conducted to minimize the duplication that exists between Industry, Trade and Commerce and DSS.

INFORMATION CANADA

Observations and Recommendations as at December 1974.

Departmental Comments as at August 1975.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

RESPONSIBILITY FOR THE FINANCIAL FUNCTION

- The senior financial specialist in the Department must discharge his responsibilities without direct knowledge or involvement in the Management Committee, the Planning Branch or the Administrative functions of the Department.

The senior financial specialist should be a member of the management committee.

The Department in due course will consider this recommendation.

STAFFING OF THE FINANCIAL FUNCTION

- The Department has suffered from high turnover of financial officers and staff and has had to operate predominantly with casual and temporary employees.

Vacant positions in the Financial Services Division should be filled as soon as possible with qualified permanent staff.

The Department has been giving recruiting efforts a high priority but there is a shortage of available qualified financial staff and limited career prospects for these individuals within the Department. Since the study most of the positions have been filled.

COMMUNICATION OF FINANCIAL REQUIREMENTS AND DUTIES

- Financial procedures and duties have not been adequately documented and communicated.

The departmental financial manual should be completed as soon as possible.

The content of the manual has been prepared and is now in the process of translation.

Internal communications between financial officers and line managers should be improved through periodic meetings and reports. Internal communications within the Financial Services Division should be improved by the distribution of more specific job descriptions, work procedures, departmental organization charts and the conduct of in-house training sessions by senior officers.

The Department is placing greater emphasis on internal communications between financial officers and both line managers and staff performing financial functions.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

CONTROL OF EXPENDITURE DOCUMENTS

- The Department does not maintain sequential and other controls of expenditure documents appropriate for ensuring that all accounts are paid without error, omission or duplication.

Prenumbered receiving reports and cheque requisitions should be introduced and their use controlled. Accounting controls should be established on expenditure documents before, not after, they are submitted for final authorization.

Accounting controls will be established as recommended.

PAYROLL

- The payroll and personnel functions are both assigned to the Personnel Services Division. This lack of segregation of duties is a fundamental weakness in internal control.

There should be an adequate segregation of duties in all aspects of the payroll function. Consideration should be given to transferring the payroll preparation and distribution functions from the Personnel Services Division to the Financial Services Division.

- Salary overpayments have occurred in the past as a result of failure to adhere to prescribed procedures. Action should be taken to ensure that employee severance certificates and other payroll documents are initiated promptly by supervisors.

The Department will give consideration to this recommendation if and when a major departmental reorganization will occur.

A procedure for severance certificates has been developed and implemented.

REVENUES, ACCOUNTS RECEIVABLE AND REVOLVING FUNDS

- Unpaid suppliers' invoices are not accrued in the monthly financial reports of the Expositions Revolving Fund and the Publishing Revolving Fund does not record any month-end accruals whatsoever. There is therefore no reliable basis for monitoring the financial position and operating results of these funds during the year.

Accrual accounting should be used in the preparation of monthly financial statements of the Revolving Fund.

This recommendation has been implemented. New statements for the publishing Revolving Fund, including accruals, have been instituted.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

The Expositions Revolving Fund has not been able to, and is not forecast to, generate sufficient funds to be self-financing. The reported balance of the Fund exceeded the authorized limits by \$170,000 in November 1974 and payments to suppliers were being withheld because of a shortage of funds. The shortage of funds is attributable to the operating losses of the Fund as well as to delays in collecting accounts receivable from other government departments.

The operations of the Expositions Directorate either should not be financed through a revolving fund or corrective action should be taken to ensure that revenues will be adequate to meet all costs.

- The unrestricted credit policies and weaknesses in internal controls over revenues and accounts receivable applicable to the Publishing Revolving Fund are under review. The credit policies do not conform with Treasury Board guidelines and have contributed to excessive difficulties in collecting and administering a large number of small amounts outstanding.

The existing credit policies should either be more restrictive, preferably to the sale of publications on a cash basis, or should be approved annually by the Treasury Board.

The functions of granting credit and collecting overdue accounts should be segregated from the maintenance of accounts receivable records.

The Department should more extensively employ and account for pre-numbered sequential forms in its credit, invoicing, accounts receivable and collection functions.

The task force report on Expositions is under consideration by the Treasury Board.

The credit policy has been revised.

This recommendation has been implemented.

The Department will implement this recommendation wherever feasible.

OBSERVATIONS AND RECOMMENDATIONS

- The Department has been unable to identify accurately amounts of subsidies to be credited to the Publishing Revolving Fund and charged to the Publishing and Distributing Services Activity of Vote 10. These subsidies are to promote the publishing, sale and distribution of government publications. At the time of our review the records of the Publishing Revolving Fund also did not reflect charges for the original inventory transferred from the Department, revenues for services rendered, accrued interest costs of advances or unpaid suppliers' invoices.

Authority for the Publishing Revolving Fund should not have been sought until the necessary financial policies and accounting procedures had been developed to ensure that effective financial control would be maintained.

The Department should ensure that its current efforts to develop appropriate policies or formulae to enable an accurate calculation of this subsidy for the Publishing Revolving Fund are successful and are implemented as soon as possible.

- The existing system of inventory accounting and control in the Publishing Revolving Fund is inadequate and is presently being studied by management consultants.

The Department should improve the accuracy and currency of subsidiary inventory records. Special procedures should also be instituted to ensure that:

- (a) periodic physical counts of inventories are taken independently and reconciled to subsidiary inventory records; and
- (b) inventory control accounts, with detailed records where appropriate, are maintained for publications out on consignment and in each regional bookstore.

CAPITAL ASSETS

- Subsidiary records are maintained for capital assets but physical counts have never been taken to verify the accuracy of the records of the capital assets of the Expositons Revolving Fund.

All capital assets should be counted annually and reconciled to the capital assets subsidiary records.

DEPARTMENTAL COMMENTS

Agreed. The Department did not fully anticipate the difficulties of accounting for this Revolving Fund.

An appropriate method of identifying and allocating these costs has been implemented.

An appropriate system has been developed and is now being implemented.

This recommendation has been implemented.

INTERNAL AUDIT

- The Internal Audit Section of the Department has been temporarily staffed by two individuals, neither of whom has formal audit training.

The Department should ensure that persons in its Internal Audit Section have appropriate qualifications, experience and supervision.

Positions in the Audit Section have been upgraded and a qualified auditor has been hired.

BUDGET PREPARATION

- The system does not ensure that budget information initiated in the branches is consistent with departmental objectives and goals.

The budget preparation and review processes should be based on clear statements of objectives, plans and goals expressed in quantitative terms where practical.

Responsibility centre managers should participate more fully in the budget preparation and control process.

The newly created Planning Branch will place significant emphasis on implementing this recommendation.

ALLOTMENT CONTROL

- Budget transfers between departmental sub-allotments are not always authorized and recorded.

Sub-allotments should not be permitted to be overspent without duly authorized formal transfers of funds from other sub-allotments.

Since the study the Department has developed and implemented an improved budgetary control system.

COMMITMENT CONTROL

- Monthly commitment and cash control reports are unreliable because of the variance in the cut-off dates for input of commitment and expenditure data.

Expenditure and commitment input to monthly commitment and cash control reports should be cut off on the same date.

Agreed, it has been implemented.

FINANCIAL REPORTING

- The current financial reporting system is not meeting all the significant needs of operating managers.

The financial statements of the revolving funds should include complete monthly and prior year comparative results as well as cumulative year-to-date totals.

The Department is in the process of developing a complete management information system which is expected to become operational during 1975-76.

**OBSERVATIONS AND
RECOMMENDATIONS**

There should be more communication between financial officers and line managers as to the needs and purposes of financial information. The format, content and timing of financial management reports should be documented in the departmental financial management manual.

DEPARTMENTAL COMMENTS

DEPARTMENT OF LABOUR

Observations and Recommendations as at December 1974.

Departmental Comments as at July 1975.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

FINANCE/ACCOUNTING FUNCTIONAL RELATIONSHIPS

- The functions of the Director of the Financial and Management Services Branch include substantial responsibilities which are not directly related to his role as senior financial officer.

Based on the Financial Services Division's present establishment, the senior financial officer should be spending more of his time supervising day-to-day work on systems and management reporting in the Financial Services Division.

- Administrative officers should report functionally on financial matters to the senior financial officer and the nature of their tasks in the financial area should be upgraded.

Agreed.

The total organization is being reviewed and this recommendation will be taken into consideration.

STAFFING IN THE FINANCIAL FUNCTION

- Assistance of the Management Improvement Division staff should be sought to overcome staff shortage problems in the Financial Services Division.

This resource will be used to alleviate staff shortages in systems design.

ASSIGNMENT OF FINANCIAL AUTHORITIES UNDER THE FINANCIAL ADMINISTRATION ACT

- New authorities documents should be obtained as soon as organizational changes warrant it or as soon as it is found that the existing document requires adjustment. Those documents should refer to the principle that delegated authority may not be redelegated.

Agreed.

OBSERVATIONS AND RECOMMENDATIONS

- Branch personnel (directors, division chiefs and administrative officers) should be made aware of the importance of delegation of authority as well as the requirements of the Financial Administration Act and the Guide on Financial Administration. This should be accomplished through a planned series of comprehensive oral training sessions.
- The new system of authorities is not supported by specimen signature cards and does not give recognition to commitment authority under Section 25 of the Financial Administration Act.

Financial Services Division personnel should move immediately to design and to implement procedures to eliminate the deficiencies in the assignment of financial authorities.

EXPENDITURE CONTROL POLICIES AND PROCEDURES

- A review should be made of the document matching and verification procedures performed by Materiel Management and by Financial Services Division clerks to eliminate duplication of effort while maintaining a division of duties between account verification and purchasing.
- Instances were noted where branch directors whose budgets are affected were not being informed by the Public Relations Branch that charges for advertising and printing of publications exceeded estimates by substantial amounts.

Branch directors should be advised by Public Relations Branch personnel if the cost of advertising and printing is likely to exceed amounts originally approved.

- Financial procedures related to advertising and printing contracts are carried out by the Public Relations Branch.

DEPARTMENTAL COMMENTS

Financial Services is presently reviewing with branch personnel the importance of a delegation of authority as they develop the signature cards. Concerning the training needs of all Branch Administration Officers, it is realized that the Department now lacks a co-ordinated approach. The matter will be reviewed in the near future in the light of departmental training priorities.

Agreed and presently being carried out.

The procedures will be reviewed in the near future.

Initial estimates made at the inception of a project (i.e., before manuscript or relevant information is available) are sometimes inaccurate and costs of the final project may on occasion exceed the anticipated amount. Nevertheless, the Public Relations Branch has invariably sought client-branch approval of the final cost (as determined by the Department of Supply and Services or the advertising agency) before proceeding with the project. This practice has been incorporated into the Policy on Commitments.

OBSERVATIONS AND RECOMMENDATIONS

Procedures for advertising and printing contracts and for supplier follow-up, contract letting procedures, supplier delivery follow-up and invoicing should be turned over to Material Management section personnel of Financial Services Division. Technical matters in finalizing contracts should remain the responsibility of Public Relations.

CONTROL OF REVENUES AND ACCOUNTS RECEIVABLE

- The provinces make compensation payments to Federal civil servants under the Government Employees Compensation Act. The provinces recover these payments and associated administrative charges from the Department of Labour. The Department of Labour does not charge departments for compensation payments made to their employees.

The Department should assess, wherever practical, other departments for their share of actual compensation paid out.

- The feasibility should be examined of assessing all Crown corporations on a percentage of payroll basis to eliminate lengthy delays in compiling information for billing them for actual compensation payments under the Government Employees Compensation Act.

DEPARTMENTAL COMMENTS

This recommendation will be examined in light of the Department's organizational review.

This has been considered from time to time but so far it has not been thought feasible. Apart from the unpredictable and widely-variable nature of the costs, the geographical and occupational distribution of staff as well as the degree of risk appropriate to each department and the substantial differences in monetary benefits across the country combine to make assessments for this purpose very complicated. The amount of detailed record-keeping, preparation of statements of disbursements and so on would make this a fairly costly procedure with no apparent advantage.

This could be done whether or not the recommendation immediately above is carried out because there are only a few of them and they are in pretty much the same position as industries directly subject to provincial legislation in this field. Whether by way of "assessment" or by "recovery" there does not seem to be any particular advantage. Both systems are in fact used in provinces and up till now these agencies have, in effect, been given a choice, though the Department has a preference for the assessment method.

OBSERVATIONS AND RECOMMENDATIONS

- Similarly, the Department should review the feasibility of adjusting assessment rates to provide for recovery of its own directly identifiable costs incurred in administering the Government Employees Compensation Act.
- Steps should be taken to eliminate duplication of effort in keeping revenue register records on assessments to Crown corporations.
- An aged listing of amounts receivable from Crown corporations should be prepared periodically with one copy going to the head of the Accident Prevention and Compensation Branch and one copy to Financial Services Division to ensure timely collection. Totals should be kept by Crown corporations.
- Revenues should be recognized in the Department's main accounting system when they are billed and not only when cash is received.

ESTIMATES PRESENTATION

- The Main Estimates show the net amount of statutory compensation payments to federal public service employees after deducting recoveries made through chargebacks to certain Crown corporations.

The Department should review the appropriateness of the present format of the Estimates and discuss changes in it with Treasury Board with a view to showing the gross amounts payable under the Government Employees Compensation Act.

CONTROL OVER FIXED ASSETS

- A departmental policy paper should be prepared instructing all branch personnel to review periodically (i.e., quarterly) their assets usage and to turn over any surplus to the central pool. Materiel Management personnel should review assets usage with branch authorities.
- The Department's policy is to cyclically count fixed assets over a three-year period. No count was made during the past year. Physical count of fixed assets should be resumed.
- Fixed asset shortages and requests for approval to write off should be brought to the attention of the Deputy Minister as soon as they are discovered.

DEPARTMENTAL COMMENTS

The review of assessment rates is a continuing task at the present time. These rates cover: (1) claims cost paid; (2) administration costs charged by WCB; and (3) provisions for pensions. The average cost for the Division is approximately \$7.00 per claim per year. Consideration will be given, however, for total cost recovery.

Now that satisfactory statements are being regularly provided by DSS this revenue register can be discontinued.

Further study is needed on the subject, but we agree in principle.

Agreed.

There is no problem in giving the gross amounts rather than the net amounts since the former is calculated initially. However, due to yearly fluctuations in the amounts, a narrative would then be required.

Agreed.

Agreed.

Agreed.

INTERNAL AUDIT

- Steps should be taken to provide for an annual internal financial audit using a cyclical approach which would give coverage of all systems, say every three years, and which would permit an in-depth review in all areas.
- The internal audit and program evaluation functions should report to a senior executive other than the senior financial officer.
- The Department should utilize the services of the Audit Services Bureau rather than create an internal group, at least until some experience is gained in requirements for an effective audit. This approach would also be less expensive.

These proposals are being examined in light of the organizational review. It must be pointed out, however, that services provided so far to our Department by the Audit Services Bureau could stand improvement.

PROGRAM FORECAST PROCEDURES

- The annual program forecast submission is not discussed at senior executive committee meetings and the responsibility for approving it rests with the Director, Financial and Management Services Branch.

The senior executive committee should take a more active interest in the program forecast submissions and should devote more time to it in its meetings.

The responsibilities of the senior management group are now under review but the principle is agreed.

- Little guidance on priorities and expenditure levels is given to the Director, Financial and Management Services Branch to assist him in his responsibility for preparing the program forecasts submitted to Treasury Board.

Priorities and expenditure levels should be established by senior executive, documented in minutes of meetings and communicated before branches are requested to begin preparation of their budgets.

The results of the current organizational review should be awaited but the principle is agreed.

MAIN ESTIMATES PROCEDURES

- Main Estimates submissions to Parliament should be updated by departmental personnel to reflect changes in plans since preparation of the program forecast and so that amounts in the Main Estimates and in the internal responsibility centre budgets are in agreement.
- Salary expenditures shown in the Main Estimates are based on authorized man-years. Some will be used up by actual staff strength while part will be used to hire casual labour.

Agreed. Procedures to be set up in the light of forthcoming changes.

OBSERVATIONS AND RECOMMENDATIONS

A review should be made of the Department's practices with respect to hiring casual labour and of problems in hiring additional permanent staff to ensure that managers do not use casual labour to meet manpower needs which should be filled by permanent staff.

- When internal operating budgets are prepared from the Main Estimates, each branch should be given only that amount that is likely to be spent in the year. Any additional amounts required by any branch should be considered on a case-by-case basis by the Deputy Minister and his senior financial officer.

INTERNAL BUDGETARY CONTROL PROCEDURES

- The senior financial officer's findings and conclusions as a result of his monitoring of the Department's expenditures should be communicated to the senior executive committee and should be followed by written reports to branch directors together with decisions taken by the senior executive committee.
- Branch directors should be briefed once or twice a year on the use of the budgets and financial reports generated for them. In this way they may be able to provide Financial Services Division personnel with feedback information to improve those reports.
- Units of output or work done should be identified and related to expenditures. A number of output measures have been identified already in the Employment Standards Program. These should be planned for the coming year to permit better budgetary control over expenditures as actual results become known.
- Administrative officers in the branches are not able to analyse financial information and produce variance analysis for operating managers.

Administrative officers should be given some in-depth training on how to analyse financial reports and to compare actual to budgeted expenditures.

DEPARTMENTAL COMMENTS

Departmental practices in this area are constantly reviewed so as to limit as much as possible the use of casuals. Replacements for conditional appointees (language training) also account for a good proportion of casuals.

Starting with the present fiscal year, Branch operating budgets reflect the commitments that have been or are likely to be made.

The role of this Committee is now being reviewed, but the principle is agreed.

Agreed and begun.

Subject to the proposals concerning organizational changes.

Agreed and begun. (Also see the departmental comment on the second recommendation under "Assignment of Financial Authorities under the FAA").

**CASH FORECASTING AND
COMMITMENT CONTROL**

- A commitment control reporting system should be designed and implemented on a memorandum basis and consideration should be given as to what types of expenditures need to be reported in such a system.
- Administrative officers should provide Financial Services Division with details on outstanding commitments and assist it in updating records on a monthly basis.
- Reports for branch directors should be prepared as extensions of their monthly expenditure reports bearing in mind that the primary purpose of commitment accounting is cash control.

A policy on commitments is now in effect requiring the maintenance of records on all commitments. The policy calls for monthly reports to be prepared for Branch Directors and senior management showing expenditures and commitments.

Policy has been established.

Policy has been established.

FINANCIAL REPORTING

- Financial personnel should meet DSS representatives to determine DSS capabilities for producing the management reports required by the Department and to establish properly whether any of the development and operating costs of the new internal system could be reduced by making better use of the DSS system. Analyses and conclusions as a result of that review should be documented.
- Branch personnel including directors are not using most of the reports produced in the Department's Cost Reporting System.

This review is under way.

The structure, format and volume of all statements being produced by the Cost Reporting System should be modified to make monthly reports useful to all operating managers.

A review is now under way and some changes have already been made.

- Periodic sessions should be organized for branch management personnel to assist in making better use of management statements.
- Salary costs in the Cost Reporting System are based on average salaries and are generally understated compared to actual salaries paid.

Agreed.

Financial officers should begin immediately to analyse past salary expenditure differences to determine what alterations must be made to the system to improve accuracy and to ensure that managers are informed about costs of all resources they use.

This review is now under way.

OBSERVATIONS AND RECOMMENDATIONS

- The senior financial officer and his division chief should request periodically a copy of all monthly reconciliations to ensure that they are being prepared regularly and that errors are being corrected.
- There are two similar files on salary information, one in the Cost Reporting System and the other kept manually.

The manual system of salary information should be discontinued. Time spent on it by one clerk could be used for other work.

- Common transaction input for both the Department's own system and the DSS system should be developed and implemented.
- Management reports from the Department's system are often received more than one month after the end of the month reported.

Efforts to correct problems in processing statements and to produce them sooner should be documented periodically and should be reviewed by the Chief, Financial Services Division and by the senior financial officer.

DEPARTMENTAL COMMENTS

This also has been implemented.

We are reviewing the use of this information.

We will review this proposal with DSS.

Agreed and presently being carried out.

DEPARTMENT OF MANPOWER AND IMMIGRATION

Observations and Recommendations as at December 1974.

Departmental Comments as at May 1975.

The study only covered programs reporting to the Deputy Minister and therefore excluded the operating expenditure of the following votes:

Vote 25: Immigration Appeal Board

Vote 30: Unemployment Insurance Commission

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

DESIGNATED FINANCIAL OFFICER

- A senior financial officer should be designated at the Assistant Deputy Minister level. This officer should have a strong financial background and should be made a member of the senior management committee.

The acting ADM Administration, a chartered accountant with a strong financial background has been designated as senior financial officer and a member of the senior management committee.

FUNCTIONAL DIRECTION

- Responsibilities for giving functional guidance and direction in financial matters should be defined and included in departmental financial manuals.

The financial manual will include an outline of the overall duties of the senior financial officer in the four principal areas: budget preparation and control, accounting policy and systems, financial controls and authorities and accounting operations. Also included will be a description of the interrelationships among the various financial units and program line management indicating direct or functional responsibilities.

FINANCIAL PERSONNEL

- The classification level and numbers in the FI complement should be reviewed and revised as necessary with a view to obtaining staff with the qualifications necessary to provide improved financial management in the Department.

A review of FI classifications has revealed that certain positions appear to be classified at too low a level. Plans have been formulated and are being implemented to correct this situation and to create the required organizational structure for improved financial management.

ORGANIZATION

- Funding requests for resources for the financial function should be related to the planned organization and official organization charts should be prepared on the basis of positions covered by authorized man-years.

Additional resource requirements in terms of man-years and dollars will be identified for the financial function related to the planned organization and official organization charts will be related to the approved authorized man-years.

OBSERVATIONS AND RECOMMENDATIONS

- A reporting system on staffing activity should be developed for the financial function.

STAFF TRAINING PROGRAMS

- There are no well developed training programs offered on the Department's financial management and control systems.

Resources should be allocated to plan and operate staff training programs in the financial management area both at headquarters and in the regions.

DELEGATION OF AUTHORITY

- Delegation of authority for Section 25(1) of the Financial Administration Act has been given to only three people in the Department and authority under Section 26 and 27 has been given to the same personnel.

The weaknesses in the area of delegation of authorities under Sections 25(1), 26 and 27 of the Financial Administration Act should be rectified.

- A review procedure should be established to ensure the timely updating of delegation of authority documents and related sections of departmental manuals.

PRE-AUDIT FUNCTION

- The pre-audit procedures within the Department have not been effectively established and carried out.

Appropriate pre-audit procedures should be established within the Department and documented in financial manuals.

INTERNAL ACCOUNTING CONTROLS

- Accounting systems and procedures in use are not properly documented.

The system of internal accounting controls should be fully documented in departmental financial manuals.

DEPARTMENTAL COMMENTS

A reporting system will be developed to ensure timely communication between staffing officers and line management in the financial functions.

Staff training programs for management and administrative support personnel will be developed by September 1976.

The format of the Delegation Instruments for financial signing authorities has been completely revised and the delegation of authorities is in the process of revision to reflect improved principles of delegation.

A review procedure is being established and will be covered in the departmental manuals.

Appropriate procedures are in the process of being established and will be implemented and fully covered in the departmental manuals in 1975.

The Departmental Accounting Manual will be completely revised to fully document all systems, procedures and internal controls required to properly maintain the accounts of the Department.

OBSERVATIONS AND RECOMMENDATIONS

- The methods of document control in use in the Department do not ensure that individual transactions are recorded on a timely basis. This could be accomplished by establishing suitable batch control procedures. In addition, invalid entry adjustments which can occur through coding errors should be processed on a more regular basis.

REVENUE AND ACCOUNTS RECEIVABLE

- Procedures and controls should be established for the origination, recording, collection and deletion of accounts receivable for all programs and should be fully documented in the departmental financial manuals.

The circumstances which gave rise to over-payments — particularly in the Canada Manpower Training Programs — should be rectified to eliminate or substantially reduce the number of accounts which must be dealt with in this regard.

The procedures in the revenue area should be revised to reduce the administrative costs of revenue collection.

INTERNAL AUDIT

- Responsibility for some of the internal audit arrangements rests with program managers while others are co-ordinated by the departmental Management Review and Improvement Bureau.

Responsibility should be delegated to the Management Review and Improvement Bureau for the co-ordination of all Audit Services Bureau audits, for the departmental review of their findings and for reporting to the Deputy Minister on major audit observations, trends and weaknesses.

- All internal audit programs and procedures should be revised and reviewed in consultation with Audit Services Bureau, placing more emphasis on the conduct of the audits on systems evaluation and improvement recommendations.
- The scope of the audits should be reviewed to reduce costs and utilize the savings to implement improvements in basic systems and procedures controls.

DEPARTMENTAL COMMENTS

A complete review of these procedures has been initiated. Batch control or sequential numbering methods to ensure timely recording will be implemented. Invalid entry errors will be adjusted on a more timely basis.

The operations and procedures related to accounts receivable and revenue control are under extensive review by the Department and major changes and improvements will be made.

Responsibility for all audit arrangements has been delegated to the Management Review and Improvement Bureau.

Audit programs and procedures are being developed along the lines recommended.

The scope of all audits will be reviewed to achieve optimum coverage consistent with quality and cost considerations.

PROGRAM ACTIVITY STRUCTURE

- The Development and Utilization of Manpower program appropriation under Vote 5 represents a significant portion of total departmental expenditures.

An expanded activity structure should be established in the Development and Utilization of Manpower Program to provide more useful information for the assessment of these activities and their contribution to manpower program objectives.

A new activity structure has been established for the 1976-77 program year.

**PROGRAM FORECASTS AND MAIN
ESTIMATES PROCEDURES**

- A continuous system of financial planning should be developed and integrated with a similar operations planning system to provide senior management with improved decision-making information.

There should be increased participation of senior financial officers in the Program Forecasts and Estimates procedures.

The roles of financial officers and program officers are under review and financial planning activities and capabilities are being developed to meet the recommendations.

BUDGETARY CONTROL PROCEDURES

- Procedures followed in the Department in comparing operating results with budgeted expenditures do not result in effective financial analysis of variances from the plans reflected in the budgets.

Improved budget variance analysis procedures should be developed at various levels of management responsibility throughout the Department.

Improved budget variance analysis procedures and reports will be developed and implemented by April 1976.

COMMITMENT CONTROL PROCEDURES

- The system for the keeping of commitment records on a uniform basis throughout the Department should be established and documented.

Departmental policies on the issuance of blanket commitment certificates should be revised.

All matters relating to commitment certificates and records are under review and procedures will be implemented early in 1976.

**OPERATIONAL PERFORMANCE
MEASUREMENT SYSTEM**

- The application of operational performance measurement system concepts is in the developmental stage within the Department. The concept has been applied nationally in the early stages; however, an in-depth pilot study at a limited number of locations should be initiated to develop an effective Operational Performance Measurement System on a basis that is integrated with the financial reporting system.

Steps have been taken to ensure appropriate financial/operational participation in the development of a satisfactory operational performance measurement system as recommended. However, it is felt that acceptance of the pilot study approach may be premature at this time. A solution will be developed and implemented which will include a pilot study as recommended if found to be appropriate upon further consideration.

FINANCIAL REPORTING

- The information contained in the reports prepared from the various reporting systems is not obtained from the same data base. The reports are not prepared as part of a controlled reporting system integrated where appropriate. Consequently the comparability of the data on the reports is not assured.

The Department's basic reporting systems should be integrated where appropriate to make these reports more useful management tools.

A major review of user needs and systems required to provide base data information and integrated reports will be undertaken with participation by all functions.

**DEPARTMENTAL RELATIONSHIPS WITH
DEPARTMENT OF SUPPLY AND
SERVICES**

- The relative responsibilities and relationships with the Department of Supply and Services are not well defined or understood.

There should be a written agreement with the Department of Supply and Services covering the services to be provided by the Department of Supply and Services together with the respective responsibilities of the Department and the central agency.

A complete review of the use of the services of the Department of Supply and Services should be undertaken to establish more effective procedures in the processing of expenditures and the preparation of financial reports.

The Department is taking steps to identify and firmly establish the respective responsibilities of the Department of Supply and Services and the Department and will take all possible steps to improve the use of the services of the Department of Supply and Services.

DEPARTMENT OF NATIONAL DEFENCE

Observations and Recommendations as at July 15, 1975.

Departmental Comments as at August 1975.

Our review was based on all segments of the Department reporting through the Deputy Minister and the Chief of the Defence Staff. Thus, it specifically excluded the Defence Research Board, Defence Construction (1951) Limited and all non-public funds operations of the Department.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

ORGANIZATION

- At the present time the Chief Financial Services, not the ADM (Finance), has been designated as the senior officer responsible for departmental systems of financial administration because the Director General Audit reports directly to the ADM (Finance). However, when the Department's audit committee is formed, the spirit of the Treasury Board Guideline will be better followed if the ADM (Finance) is designated the senior officer responsible. Then the Director General Audit will be reporting to an independent group.
- The ADM (Finance) and the Chief Financial Services and their supporting headquarters financial staffs each have a financial services and a financial control role to play in the Department. These roles cannot always be played simultaneously.

The ADM (Finance) should be designated as the senior officer responsible for departmental systems of financial administration.

The headquarters financial group should have a person whose sole responsibility is to ensure that adequate internal control systems exist and, where they do not, to develop new ones. The maintenance of the financial manual described later in this report should also be his responsibility. This person should report directly to the Chief Financial Services.

Agreed. The Audit Committee has been established and will provide independent direction to the Director General Audit, consistent with the spirit of the Treasury Board Guideline.

Agreed. The reorganization required is not major and should be completed prior to the end of the current fiscal year.

**FUNCTIONAL REPORTING OF
FINANCIAL OFFICERS**

- To ensure that financial responsibilities are being properly exercised:
- (a) a senior financial officer within the ADM (Finance) organization should provide functional direction to Command comptrollers and financial officers in headquarters positions outside the ADM (Finance) organization; and
- (b) Command comptrollers with limited financial training should receive specific financial training, including a period of orientation in the ADM (Finance) organization before assuming their duties.

Agreed. The new Departmental Financial Manual, on which work has been proceeding over the last year, will be issued shortly and should significantly improve communications.

Agreed. The Department will make the necessary arrangements.

FINANCIAL MANUAL

- The departmental financial manual should be completed as soon as possible and procedures developed to ensure that the manual, once issued, is kept up to date. The person in the headquarters financial group with responsibility for internal control systems described earlier in this report should maintain this manual.

Agreed. The Financial Manual is being completed on schedule and will be issued later this year. The responsibility of insuring that the manual is kept up to date will be assigned to a specific individual as part of the reorganization referred to above.

RESPONSIBILITY ACCOUNTING

- Seventy-five per cent of departmental operating funds are controlled centrally while the remaining 25% are delegated to Commands, Bases and other operating units for control purposes. Of this 25%, only a small proportion is truly controllable by the local responsibility centre managers.

Budgetary control responsibility should be assigned to responsibility centre managers only for activities over which they have direct operating control. The number of responsibility centres should be reduced to eliminate those where no operating control actually exists.

Agreed. It should be emphasized, however, that disbursement control will continue to be decentralized with responsibility for enforcing economy in expenditures being exercised at the lowest possible level.

**PERSONNEL SUPPORT PROGRAMS
(NON-PUBLIC FUNDS)**

- Various personnel support programs are operated on behalf of military personnel at DND locations, including:
- (a) Canex retail outlets;
- (b) Messes and institutes; and

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

- (c) physical education and recreation facilities.
- The Control and administration of non-public funds, facilities and programs vests immediately with the commander of the unit and ultimately with the Chief of Defence Staff. The funds receive some public subsidy in the form of departmental manpower resources and direct funding.

Two steps are necessary to ensure that non-public funds responsibilities can be properly exercised without interfering with public funds responsibilities:

- (a) adequate well-trained financial staffs should be made available to departmental managers with non-public funds responsibilities; and
- (b) financial audits of all non-public funds should be performed by properly trained auditors at least annually.

FINANCIAL SIGNING AUTHORITIES

- Delegation of financial signing authorities is documented as follows:
 - (a) through documents signed by the Minister and the Deputy Minister; and
 - (b) through numerous sections of various publications imposing limits on the exercise of spending authority.
- A document which includes all facets of delegated authorities has been prepared but not yet issued.
- Revisions to the delegation of financial signing authorities should be issued to include in one comprehensive document the following:
 - (a) a statement that spending authority should generally be exercised by operating managers and payment authority by financial officers and that spending and payment authorities on a particular transaction should always be exercised by different persons; and
 - (b) both spending and payment authority limits according to military rank or equivalent civilian position.

Agreed. A policy decision is required as to the extent of additional public support to be provided.

Agreed. As noted in the observation, a document covering all the recommendations has been prepared and will be issued in October 1975.

PRE-AUDIT PROCEDURES

- The application of pre-audit procedures does not include a check of signatures affixing spending authority, an edit of financial coding or the batching of documents forwarded to the Department of Supply and Services for cheque issue. A document defining steps to be followed by pre-audit clerks is under revision.

Pre-audit procedures performed before forwarding cheque requisitions to the Department of Supply and Services for payment should be enforced through the use of a block stamp to ensure that all appropriate steps are followed.

Agreed. The document referred to in the observations is being rewritten and will be issued in January 1976. A block stamp of the type referred to is now used in some of the larger supply depots and its use will be extended.

**REVENUE AND ACCOUNTS RECEIVABLE
CONTROL**

All invoices should be accounted for in the accounts receivable subsidiary ledger and an independent control account should be maintained over accounts receivable balances administered by NDHQ.

Agreed. The independent control account is being established.

PHYSICAL CONTROL OF INVENTORIES

- Departmental policy is to verify quantities maintained on perpetual inventory records by physical count of all stock classes at least once every three years. Over the last year or so, perpetual records previously maintained by supply depots and base supply locations have been converted to the revised Canadian Forces Supply System (CFSS). Physical counts were not made coincident with the introduction of the CFSS and certain supply locations have not yet developed a plan for continuing physical counts.

The Chief Supply, through liaison with Depot Commanding Officers and Command and Base Supply Officers, should ensure that all supply locations, in conformity with departmental policy, develop and execute on a timely basis a plan to count physically at least once every three years all stock classes under their control.

Agreed. Commands, Bases and Depots have been instructed to do this.

ACCOUNTING FOR INVENTORIES

- There are three types of inventory items as follows:

(a) equipment and vehicles;

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

(b) repair parts and reserve stocks; and

(c) consumable supplies.

- Inventory levels and usage of the first two types are dictated by military requirements but usage of the third type can be controlled by responsibility centre managers.
- Program Forecasts, Main Estimates, operating budgets and the Public Accounts of Canada disclose only budgeted and actual supply purchases, not supply utilization. As well, supply items nationally stocked are drawn from stores free of charge by the user but items procured locally must be paid for by supply officers' locally managed funds.

Annual Main Estimates and the report of departmental expenditures should disclose separately anticipated and actual changes in levels of inventory for classes of inventory where it is possible.

The data provided by the Canadian Forces Supply System should be used to charge ultimate users for items over which the users have some degree of control, no matter what the source of original procurement.

Agreed, in principle. The Department will investigate the practicality of the recommendation, in consultation with the Treasury Board.

Agreed, in principle. The proposal will be studied.

INTERNAL AUDIT

- Base Comptrollers' internal audit sections should be strengthened, both in numbers and in rank. A military officer or civilian equivalent should be appointed to a full time chief internal audit position at each base, except where the base is too small to justify a full-time position. Smaller bases, stations, ships and other locations should be grouped appropriately so that all are covered by internal audit sections under the control of an officer with full-time internal audit responsibilities.
- The Director General Audit has developed a plan for improving the internal audit function. Steps should be taken to expedite the implementation of:
 - (a) an integrated plan to maximize the effectiveness and minimize the duplication of effort among the various levels of internal audit;
 - (b) a formal training program for Base Comptrollers' internal auditors; and

Agreed, in principle. The proposal will be studied but current man-year restrictions may make it difficult to take the action recommended.

Agreed. The work already under way will be accelerated to the extent possible in the light of current man-year restrictions.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

- (c) an audit manual, including detailed audit programs, for use by all Base Comptrollers' internal audit sections.

CO-ORDINATION OF PLANNING FUNCTIONS

- Both the long-range planning function and Program Forecast preparation are the responsibility of the ADM (Policy) group while Main Estimates preparation is the responsibility of the ADM (Finance) group.

The ADM (Finance) organization should assemble information similar to the Main Estimates relating to the first year of Program Forecasts. This information should be compared with the long-range plan and, where appropriate, adjustments made before preparing the annual Program Forecast submission.

Agreed, in principle. The Department will undertake a study to assess the practicability of the proposal.

DETAILED MANAGEMENT BUDGETS AND FUNDS ALLOCATION

- Responsibility centre budget submissions should be zero-based (i.e. include a justification for all activities, both new and recurring, including their costs).
- These budget submissions should include realistic cost estimates based on inflation factors agreed to by both headquarters and the local responsibility centre managers.
- When budget submissions must be reduced, senior management should indicate activity level reductions to responsibility centre managers who should resubmit their budgets based on these reduced activity levels. This cycle should be repeated until an acceptable spending level is achieved.
- Efforts should be intensified to identify, at the earliest possible date, necessary reallocations of funds so they can be made on a timely basis.

Agreed, in principle. The Department will study the practicability and cost effectiveness of introducing a zero-based budgeting system.

Agreed. Instructions respecting the preparation of Estimates for 1976-77 deal with inflation factors in the manner recommended.

Agreed, in principle. Sufficient time may not always be available to permit the processes described to be completed.

Agreed. The Department will study methods of improving existing procedures.

OPERATIONAL PERFORMANCE MEASUREMENT SYSTEMS (OPMS)

- Efforts in the development of a Performance Measurement System should be continued.
- The reporting of the Performance Measurement Systems effectiveness and efficiency measures should be integrated with the main responsibility centre financial reporting system.

Agreed. Results achieved to date have been promising.

Agreed, in principle. Further study is required but the Department is confident that the systems will be integrated in due course.

COMMITMENT RECORDS

- Commitment records are maintained for major headquarters controlled expenditures such as military and civilian payrolls. However, no formal commitment records system exists for funds controlled through the Resource Management System, although a draft of a directive, relating to this, has been prepared.

The draft directive relating to commitment records should be finalized and issued to ensure that commitment records are maintained by all responsibility centre managers.

The Directive has been finalized and issued.

FINANCIAL REPORTING

- Financial Information System reports pertaining to locally-funded expenditures form only a limited portion of the Department's Resource Management System. A significant misunderstanding exists between senior financial management and the Responsibility Centre managers as to the intent and use of these reports.

The Resource Management System pertaining to locally-funded expenditures should be revised. Particular attention should be given to making information more timely and to improving the communication of the system's objectives, as well as ensuring that responsibility is related to control as described in the Responsibility Accounting section of this report. An explanation of the Resource Management System should be given in a user's manual written for non-accountants. The use of the various reports should be explained in this manual.

Agreed. The Financial Information System is being continually improved and further changes are planned for 1976-77. A user's manual written for non-accountants will be distributed in the 1976-77 fiscal year.

REVENUE CANADA – CUSTOMS AND EXCISE

Observations and Recommendations as at January 1975.

Departmental Comments as at June 1975.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

ROLE OF FINANCIAL MANAGEMENT

- The Management Committee should clearly define the role of financial management in the Department so as to: eliminate duplication and uncertainties in the interpretation of the responsibilities of headquarters and branch financial officers and provide headquarters financial officers with the authority, responsibility and staff resources to ensure implementation of financial policies. In order to place greater importance on the financial function, the Department might realign service branches to permit the ADM responsible for finance to devote a more significant amount of his time to this area.
- Branch financial officers report through another responsibility level to their respective activity head and are not generally members of their respective management committees.

Financial officers should report direct to the operating managers they support.

- The financial function in the Department is grouped organizationally with management or administrative services. There is little or no connection between financial and planning functions. Financial officers are sometimes not aware of imminent operational plans. Operational plans are sometimes formulated without an appraisal of their financial impact by financial officers.

The responsibility for financial management and planning should be grouped.

The Department is in the process of defining the roles and responsibilities of financial officers and expects to have this completed by August 1, 1975. Appropriate authority, responsibility and resources will be provided to headquarters' financial officers consistent with their designated role. Following the role definition, the organization structure and the development of financial officers at the corporate level will be reviewed and strengthened as necessary to allow them to discharge their responsibilities.

The Department recognizes the principle that financial officers should report direct to their operating managers.

The need for a close relationship between financial management and planning will be taken into account in the organizational planning for the financial function.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

FUNCTIONAL RELATIONSHIPS

- The Department should define and document functional lines of authority and state the responsibilities of the leaders within the financial function.

Simultaneous with defining the roles and responsibilities of financial officers, the Department will document the functional line of authority, stating the responsibilities of the leaders within the financial function.

STAFFING OF THE FINANCIAL FUNCTION

- The Department has experienced difficulty in hiring staff with the desired qualifications to fill vacant positions.

The Department should reorganize and re-define responsibilities so:

- senior financial officers recognize their full responsibilities and are appropriately classified; and
- there is a career pattern for financial officers within the Department.
- It was noted that position descriptions are often written for job classification rather than for financial management purposes.

Job descriptions should be redrawn to describe more closely the functions required and personnel should be measured against the redrawn descriptions.

- The Department has no policy on training for financial staff and no in-house training and professional development program. Financial staff attend Public Service Commission and similar professional development courses on an ad hoc basis. The intention of the Financial Administration Division is to develop the necessary variety of skills, but there is no formal plan to achieve this goal.

There should be greater effort on training and career development programs for financial personnel.

The responsibilities of senior financial officers, after their roles have been defined, will be documented to ensure recognition of full responsibilities and proper classification. The organizational structure will take into account the need for a career pattern for financial officers within the Department.

In conjunction with the above, job descriptions will be revised where necessary, but the Department considers that functional guidance and results are expected to go beyond the contents of job descriptions.

The Department is in the process of formalizing its training and career development program for financial personnel. Staffing action is currently underway to fill the position that has been created in the Financial Administration Division to be responsible for developing and implementing this program.

**QUALITY OF COMMUNICATION OF
FINANCIAL REQUIREMENTS**

- There is no effective financial manual. The previous manual has fallen into disuse and its replacement is still in various stages of drafting. To fill this void one of the operating branches has issued its own "temporary manual" which has not been co-ordinated with Financial Administration Division.

The Department's financial manual should be completed in conformity with Treasury Board Guidelines using where applicable material and resources of the line branches.

The departmental financial manual will continue to receive the highest priority within the financial function. All available resources will be utilized to ensure that it is completed as soon as possible and that it conforms to departmental and Treasury Board requirements.

**DOCUMENTATION OF REVENUE AND
EXPENDITURE SYSTEMS**

- There should be comprehensive systems documentation for the principal revenue and expenditure systems in force in the Department.

The departmental financial and operating manuals will contain comprehensive systems documentation for the major revenue and expenditure systems.

**SPECIAL SERVICE REVENUE AND
ACCOUNTS RECEIVABLE**

- Control ports are responsible for the collection of special service receivables. However, they do not always account for the numerical sequence of invoices issued by local ports and verify the cash received by the local port for special services to the subsequent bank deposit. There is no accounting control over accounts receivable nor are they aged on a regular basis.

The numerical sequence of invoices should be independently accounted for by the control port.

Control ports should be given the responsibility to verify independently cash received at the local port level.

Independent dollar control should be established over special service receivables.

Monthly aged listings of outstanding special service billings should be prepared and reviewed by management.

Current instructions will be updated and their effectiveness reinforced to ensure provision of this control.

Suitable instructions will be provided to give effect to this recommendation.

While the Department is prepared to institute this control, its value as a managerial tool must be subject to review and experience.

Monthly aged listings of all accounts receivable will be prepared during the current fiscal year.

PRE-AUDIT

- No record is maintained of errors corrected at the pre-audit level. The staffs responsible for the pre-audit function are not aware of and do not understand the electronic checks carried out by the Department of Supply and Services nor is the pre-audit group notified of the computer rejects of documents processed by them.

The Department is considering changes in the present system to a sample pre-audit or a post-audit review. Without an evaluation of the existing system based on a proper documentation of the system and an evaluation of the errors found in the process, a reduction in scope of pre-audit or change in methods could expose the Department to unwarranted payments.

A record should be maintained of errors corrected. Persons responsible for supervising the pre-audit function should be informed of computer rejects in order to assess system weaknesses and to monitor the extent of the pre-audit function which should be continued in the future.

Procedures will be instituted to ensure the maintenance of error correction records and the feedback of performance data, such as computer rejects, in order to provide supervisors of the pre-audit function with the data necessary to monitor and control this function.

PAYROLL

- The responsibility for the preparation of payroll data and the updating of payroll records is a personnel function. Personnel officers are not financially oriented or trained and there is a lack of awareness of financial controls over payroll.

Controls over payroll procedures should be established and promulgated. Responsibility for establishing and monitoring these controls should be assigned to financial officers.

A task force comprising financial and personnel officers will review existing payroll procedures and ensure that any necessary controls are put in place. A further review will be made within six months of the adoption of any revised control procedures and responsibility for the various aspects of the payroll function will be reconsidered at that time.

DELEGATION OF AUTHORITIES

- There is a general lack of understanding of sections 26 and 27 of the Financial Administration Act among non-financial officers performing a financial function. As a result, officers have signed under sections 26 and 27 without knowing the full implication of their signature.

OBSERVATIONS AND RECOMMENDATIONS

All departmental officers having delegated authority should receive through training sessions more detailed instructions on the objectives and principles of the delegation of authorities and account verification and approval, as well as its implementation.

WORKING CAPITAL ADVANCE

- The direct responsibility for the Working Capital Advance rests with a non-financial officer. The individual is involved in purchases, sales, cash receipts and cash disbursements as well as the accounting for these transactions which is a weakness in internal control.

There should be consistency of accounting treatment as regards all consumable inventories in the Department. Financial Administration Division should participate in the annual stocktaking to ensure that procedures are adequate, physical quantities are in agreement with the perpetual records and that differences, if any, are properly followed up. Financial Administration Division should assume responsibility for the accounting and handling of cash receipts and disbursements if the Department continues to use the Working Capital Advance.

INTERNAL AUDIT

- The internal financial audit function in the Department is the responsibility of three groups: Programme Management Evaluation, Excise Program Assessment and Customs Internal Audit.

There is no mandatory communication between them and therefore there is a danger that their work will overlap or, more significantly, may be incomplete.

The Department should reorganize the internal financial audit, placing all audit functions in Programme Management Evaluation.

DEPARTMENTAL COMMENTS

The instructions pertaining to the delegation of signing authorities, including account verification and approval, have been revised to set out more clearly the objectives and principles involved. The implementation plan includes training sessions for those officers with delegated financial signing authority.

The Department is taking steps to establish financial control for departmental inventories. The procedures will include Financial Administration Division participation in the stocktaking and in the reconciliation of actual quantities to book records. The responsibility for maintaining the accounting records for the Working Capital Advance will be transferred to the Financial Administration Division.

While the Department acknowledges the concern of the Auditor General in this regard, it cannot agree with the recommendation. However, the Department recognizes the need for a more complete and comprehensive definition of the role, function and relationship of each unit and will take the necessary action to formulate the definition required to ensure a minimum of overlap, duplication and/or omission within the existing organizational structure.

OBSERVATIONS AND RECOMMENDATIONS

- The audit approach throughout the Department should be standardized as systems-based and should include the use of internal control evaluation questionnaires.

PROGRAM FORECAST PROCEDURES

- Senior management should define and make known the specific responsibilities at the branch and headquarters level on program forecasting including: the degree to which the Financial Administration Division is expected to participate in the strategic planning aspects; the type and amounts of procedures and substantive guidance which Financial Administration Division is to provide to branches and the degree to which Financial Administration Division will participate in the review function.
- The responsibility should be given to Financial Administration Division for critical evaluation of program forecasts together with the authority to require branches to provide substantiation.
- The branches should be required to document completely and indepth all program forecast procedures and practices including Output Performance Measurement Systems. This information should be updated regularly and the complete system and subsequent changes should be submitted to Financial Administration Division for approval.
- Performance indicators, assumptions and base year should be reviewed and updated concurrently with the documentation of Output Performance Measurement Systems.

MAIN ESTIMATES

- Financial Administration Division should provide all individuals (including branch staff) who are involved in the Main Estimates procedures with an appropriate amount of training in the area of government budgeting procedures, mechanics and timing.
- Departmental policy should require all branches to ensure that their regional offices submit current costs when preparing Main Estimates submissions.

DEPARTMENTAL COMMENTS

The Department agrees with the nature of the recommendation. Programme Management Evaluation is fully responsible for the departmental financial audit and has been systems-based in its approach. Internal control evaluation questionnaires are now in use.

In defining the roles and responsibilities of departmental financial officers as referred to in response to recommendations on the role of financial management, the Financial Administration Division's responsibility relative to the program forecast exercise will be set out. In addition, the specific responsibilities of other Branch or corporate organizations concerning program forecasts will be defined and promulgated.

The specific responsibilities of Financial Administration Division for "the critical evaluation" of the various aspects of program forecast will be as defined by senior management. Financial Administration Division will be provided with appropriate authority necessary to carry out its responsibilities.

Program forecast procedures, including Output Performance Measurement Systems, used within Branches will be completely documented. These procedures will be updated and will be reviewed by the Financial Administration Division to ensure compatibility with financial systems, budgeting and reporting requirements.

Procedures will be adopted to ensure that performance indicators, assumptions and base year data are reviewed and updated on a regular basis.

The training program referred to in response to the recommendation on the training of financial staff will include the training of financial and non-financial personnel involved in the Main Estimates.

While the normal practice followed by the Department calls for updated Main Estimates submissions for all costs, this requirement will be formally specified in the budget instructions included in the financial manual.

VARIANCE ANALYSES

- Variance analyses are generally prepared at the branch activity level; however, these analyses have the following deficiencies:
 - (a) narrative explanations have been superficial and have not fully explained significant variances. In certain instances, we were unable to relate the financial consequence of the narrative to the actual dollar variance; and
 - (b) attempts have not been made to relate variances with differences between planned and used resources and changes in the levels of operational performance.

The Department should strengthen its variance analysis reporting system, including specifically: (a) a complete statement of system objectives as determined by senior management which should include reference to the system's use in budgetary control and (b) measures to ensure that the system is properly implemented and maintained and that appropriate explanations of variances are provided to senior management.

FINANCIAL REPORTING

- The Department should ensure that its financial management statements provide man-year utilization data, commitment information and output statistics and that these statements correlate resource utilization to output.
- Procedures and instructions should be developed, documented and promulgated to ensure that computer statements and reports are verified as to their accuracy.

The Department is currently reviewing its variance analysis procedures with a view to improving the quality and usefulness of the information. Following the identification of senior management's information needs, the system will be designed, documented, implemented and maintained in a manner that ensures that they receive appropriate variance explanations.

Reviews of the financial reporting system will continue to be undertaken to ensure that it meets the needs of managers at all levels with respect to such matters as commitment or seasonal budget information. The further integration of man-year, Output Performance Measurement Systems or other statistical data with the financial budgetary/expenditure information is included in the objectives and plans of the Department. This integration will be effected as the non-financial sub-systems become operational.

The financial manual will include instructions on the verification of computer statements and financial reports.

DEPARTMENT OF NATIONAL REVENUE – TAXATION

Observations as at December 1974.

Departmental Comments as at May 1975.

The study concentrated on head office which exercises central control over most departmental activities resulting in homogeneous procedures for budgeting, accounting and finance in the district offices. Two of the twenty-eight district offices and the data centre were visited to confirm this.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

FUNCTIONAL DIRECTION

- There is a certain amount of confusion as to who is responsible for providing functional direction on financial/accounting matters, particularly in the field units, where such direction to financial management has not been adequate.
- The Financial Unit in the Management Controls Division of the Operations Branch should be strengthened. It should also be given responsibility for controlling that Branch's budget as well as providing functional direction to District Offices and the Data Centre on budgetary control, financial control of expenditures, accounting control procedures related to assets and liabilities and financial reporting matters.
- The Finance Division of the Finance and Administration Branch should provide similar functional direction to the Financial Unit in the Management Controls Division of the Operations Branch through regularly scheduled meetings and through the use of comprehensive financial manuals.
- The Finance Division of the Finance and Administration Branch should also provide similar functional direction to all other Head Office Branches by supplying adviser/analysts as required and through the use of comprehensive financial manuals.

Efforts will be made to clarify the lines of responsibility to eliminate any confusion that exists in the field.

Agreed.

Agreed.

Agreed.

**PERFORMANCE REVIEW OF PERSONNEL
CARRYING OUT FINANCIAL FUNCTIONS**

- The Finance Division of the Finance and Administration Branch should participate in the appointment and performance review of personnel in the Financial Unit in the Management Controls Division of the Operations Branch and of the Administrative Officers performing a financial management or control function in other Head Office Branches. Agreed.
- The Financial Unit in the Management Controls Division of the Operations Branch should similarly participate with respect to personnel at the District Offices and Data Centre performing a financial management or control function. Agreed.

TRAINING OF FINANCIAL OFFICERS

- Greater effort should be devoted to the indoctrination and on-the-job training of personnel having financial responsibilities. Training — agreed and already started.

**QUALITY OF COMMUNICATION OF
FINANCIAL REQUIREMENTS**

- Existing manuals are deficient in that they do not refer to variance reporting, monthly accruals, calculation of projected expenditures for the balance of the fiscal year as well as other areas outlined in the Treasury Board Guide on Financial Administration. Agreed — instructions now being reviewed.

**ASSIGNMENT OF FINANCIAL
AUTHORITY**

- The delegation of financial signing authorities does not distinguish between payment and spending authority. The Treasury Board in its report of September 5, 1974, recommended that this be corrected as well as other deficiencies in the present method of delegating financial authorities. Agreed — now in hand.

**EXPENDITURE CONTROL POLICIES AND
PROCEDURES**

- The procedures related to the processing of travel claims would be accelerated if the audit function was limited to a test basis and at the same time greater use should be made of regional Department of Supply and Services offices with respect to the payment of such claims. Agreed — procedures are now under review.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

ACCOUNTING CONTROL PROCEDURES RELATED TO FIXED ASSETS

- Major items of furniture should be included on the computer-generated lists of Fixed Assets. Agreed.
- Amounts spent on Fixed Assets, as recorded in the departmental accounts, should be reconciled annually with the current year dollar expenditures as shown on the computer-generated lists. Agreed.
- Identification tags should be attached to all Fixed Assets items included on the computer-generated lists. Agreed.

INTERNAL AUDIT

- The scope of the Management Audit Branch should be broadened to include an audit of expenditures and a review of financial controls. A Study has been performed and the decision has been made to incorporate a financial audit group within the Management Audit Branch.

PROGRAM FORECASTS AND MAIN ESTIMATES

- Continuing programs should be fully evaluated in the light of their effectiveness and efficiency as called for by departmental instructions, having in mind: Agreed
 - (a) that realistic priorities should be established between programs that are competing for the same resources; and
 - (b) that such priorities should be communicated by senior management to responsibility centre managers when Treasury Board targets are revised.
- Co-ordination of workload planning, including revisions, should be improved among the functional directorates of the Operations Branch. Agreed.
- Co-ordination and communication between the Planning and Analysis Division of the Systems and Planning Branch and the Finance Division of the Finance and Administration Branch should be improved with respect to the preparation of program forecasts and Main Estimates and their submission to the Treasury Board. Agree that Program Forecast should be in same organizational entity as Estimates but since there are several ways to achieve this we will be studying how best to do so.

NEGATIVE COST CENTRE

- District Directors and senior Head Office personnel should be informed when a negative cost centre has been created and should be told what effect its creation may have on their respective budgets.

In this instance the “negative cost centre” concept is interpreted to mean providing the operating budget needed in one area by creating a corresponding negative cost centre which would be financed by lapsing funds in the second area.

This situation will not be allowed to occur again.

FINANCIAL REPORTING

- The Department of Supply and Services financial reporting system does not produce the information needed to support explanation of variances from budgeted dollars and planned workloads. In addition, it does not produce all of the information required by the Public Accounts such as a roll-up of expenditures by activities. To correct this the Department decided to develop its own computer-based management information system late in 1970, but this system is still not fully operational.

This subject is under active consideration.

THE CANADA POST OFFICE

Observations and Recommendations as at June 1975.

Departmental Comments as at July 1975.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

STAFF TRAINING PROGRAMS

- National staff training programs on financial matters should be developed aimed at achieving and maintaining technical expertise within the financial and administrative function and at ensuring an adequate level of training for non-financial personnel.

A program began in 1974 to plan and to develop training programs for financial and non-financial personnel.

FINANCIAL MANUALS

- A central library and control for all financial manuals should be established.

A project is under way to consolidate and control on a national basis all functional directives and manuals.

PAYROLL

- Departmental control over payroll input documents and cheque distribution should be strengthened. Internal controls over input system should be adhered to on a national basis and suitable controls should be established in the distribution of payroll cheques.

A planned revision of the total payroll procedures began in 1974.

Proper accounting controls and procedures on the imprest payroll accounts should be established and these accounts should be maintained on a true imprest basis.

The existing accounting controls and procedures on imprest payroll accounts are under review.

ACCOUNT VERIFICATION AND PAYMENT REQUISITION

- National Headquarters procedures for payment requisitioning do not always comply with Treasury Board Guidelines.

- There are instances where payments are requisitioned without spending approval authority.
- There is delegation of payment authority below the FI-2 level.

Action has been taken to eliminate these exceptions.

Classification action will be sought again.

REVENUE POLICY

- The Post Office should continue to assess services to the public and in addition should annually submit recommendations for a continuation of existing revenue or subsidy policies or for increases that may be required in rates charged to compensate for increases in cost of services.

Agreed.

**PROGRAM FORECASTS AND MAIN
ESTIMATES PROCEDURES**

- The relationship between operational plans and related costs is not clearly identified. The approved corporate planning cycle should be fully implemented with more specific integration of business plans and financial planning. The planning section of the Financial Management Manual should be updated.

A new financial planning system is being introduced in three phases of which the second phase will be adopted during 1975. On completion of Phase II the refined system will be incorporated into a new budgeting chapter of the Financial Management Manual.

FINANCIAL EVALUATION

- As a matter of departmental policy, any proposals which have a significant effect on revenues, expenses and capital expenditures are subject to financial evaluation and post-audit procedures. Instruction manuals should be completed to contribute to the activity required to ensure that these procedures are followed.

New instructions on evaluations of building accommodation proposals have been issued recently. Revised instructions relating to all other evaluations will follow.

**MANAGEMENT INFORMATION
SYSTEMS**

- Comprehensive management information systems are being developed. Mail volume measurement systems and labour distribution information requirements and methods should be given precedence in this activity and all systems should be fully developed and implemented successfully on a pilot project basis followed by location-by-location implementation elsewhere.

Both requirements have a high priority and are presently being developed as a pilot project in two cities.

Information needs and system requirements should be fully identified and co-ordinated with the acquisition of EDP equipment. The status of the MIS plan, costs, available manpower and acceptable time frames should be the subject of a continuous review by the Deputy Postmaster General and his Advisory Committee.

Agreed.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

FINANCIAL REPORTING

- Financial reports include comparison of actual and budgeted figures but consideration should be given to improvements in present variance analysis reporting procedures.

Improvements in variance analysis reporting procedures will be related largely to developments in mail volume measurement systems and in labour distribution information.

PUBLIC SERVICE COMMISSION

Observations and Recommendations as at June 1975.
Commission's Comments as at August 1975.

OBSERVATIONS AND RECOMMENDATIONS

COMMISSION'S COMMENTS

FINANCIAL MANAGEMENT RESOURCES

- The combination of the dramatic growth of the operations side of the Commission, the relatively limited growth in the number and qualifications of financial staff and the increasingly complex nature of the financial function within government has resulted in a financial function within the Commission which is not as strong as is warranted.
- The Commission should ensure that enough competent financial staff is available to overcome the deficiencies that exist in the present system of financial management and control, as outlined in this report.

The official title of the division responsible for the financial function is "Finance and Administration Services Division". However, virtually all documents and discussions refer to the "Administration Division", thereby detracting from the overall prime importance of the financial function.

The full title of the Finance and Administration Services Division should be emphasized.

- The Commission should create the position of Director-General, Finance and Administration Services, to be filled by an individual with appropriate financial management capabilities. A second newly-created position, Director of Finance, should be filled by an experienced professionally qualified accountant.

The financial function within the Commission is under active review and will lead to some organizational changes. One positive step has been the creation of the position of Executive Director, whose major responsibility is to chair the newly-established Budget Committee and to maintain a continuous overview of the financial management of the Commission.

This recommendation will be implemented during 1975-76.

The financial function within the Commission is under active review and will lead to some organizational changes. One positive step has been the creation of the position of Executive Director, whose major responsibility is to chair the newly-established Budget Committee and to maintain a continuous overview of the financial management of the Commission.

TRAINING AND DEVELOPMENT

- Financial training is provided to clerical support staff in the branches and divisions on a group basis. However, the financial training needs of each individual are not monitored by senior financial personnel.

OBSERVATIONS AND RECOMMENDATIONS

Financial Management Advisers should ensure that adequate training is provided to financial support staff within the branches and divisions.

- Financial Management Advisers should provide input to the performance reviews of staff performing financial functions within the branches and divisions.

DESIGNATION OF RESPONSIBILITY CENTRES

- Many of the responsibility centres identified in the Procedures Manual are actually cost centres in that they do not control their own budgets.

The financial coding structure should be revised to differentiate between cost centres and responsibility centres.

- In recent years the number of actual responsibility centres within the Commission has increased significantly. An excessive degree of delegation of budgetary responsibility tends to restrict financial flexibility unduly without offering any real offsetting benefits.

A policy should be implemented within the Commission to govern the extent to which budgetary responsibility can be delegated.

COMMUNICATION OF FINANCIAL POLICIES

- The Commission should prepare a comprehensive departmental Financial Manual as soon as possible.
- A numbering system should be introduced to control and to facilitate reference to communications of financial guidance, explanations and instructions from the Finance and Administration Services Division to the various organizational units within the Commission.

COMMISSION'S COMMENTS

This recommendation will be implemented during 1975-76.

This recommendation will be implemented in future performance reviews.

This recommendation will be implemented concurrent with the commencement of the 1976-77 fiscal year.

Policy will be determined and implemented, concurrent with the commencement of the 1976-77 fiscal year, following which the number of responsibility centres and the extent of delegated authority will be reviewed.

Work on the Financial Manual is presently in progress and should be completed during 1975-76.

This recommendation will be implemented during 1975-76.

**SEGREGATION OF REVOLVING FUND
FINANCIAL FUNCTION**

- The Financial Management Adviser to the Staff Development Branch directs a staff of approximately 30 which is responsible for the financial control of both a large revolving fund (the Bureau of Staff Development and Training Revolving Fund) and a sizeable part of the Commission's appropriations, including language training. In addition this group is responsible for maintaining certain of the accounting records for the revolving fund.

The Staff Development Branch Financial Management Adviser's extensive involvement in operational functions detracts from his critical advisory function which is not being adequately carried out now. A centralization of operational responsibility would allow a concentration of related expertise to ensure effective performance of operational functions.

Except for the Financial Management Adviser and his direct support staff, the financial staff now seconded to the Staff Development Branch should be transferred to the Financial Services Section of the Financial and Administration Services Division.

- The control of revolving fund and regular appropriation financial records by the same financial group could result in the allocation of costs between such votes being unduly influenced by the availability of funds.

The financial records of the Bureau of Staff Development and Training Revolving Fund should be maintained by a separate group within the Financial Services Section.

It is agreed that the appropriation and Revolving Fund functions should be separated and an organizational review is underway.

It is agreed that the appropriation and Revolving Fund functions should be separated and an organizational review is underway.

**ASSIGNMENT OF FINANCIAL
AUTHORITIES**

- Delegation of payment authority, under Section 26 of the Financial Administration Act, for the approval of charges to appropriations by journal vouchers, should be restricted to senior financial officers.
- Written policies and procedures should be developed, documented in the Financial Manual and implemented for the periodic review of delegated signing authorities to ensure that controls are adequate and that specimen signature cards are always up-to-date.

This recommendation will be implemented during 1975-76.

This recommendation will be implemented during 1975-76.

OBSERVATIONS AND RECOMMENDATIONS

COMMISSION'S COMMENTS

- Following the Commission's implementation of a report by the Administration Policy Branch of the Treasury Board Secretariat, commitment certificate authority under the provisions of Section 25 of the Financial Administration Act was delegated in 1974 to the responsibility centre level. At present there are approximately 225 organizational entities identified as responsibility centres within the Commission. Payment authority under Section 26 of the Act is currently exercised at the Financial Management Adviser level. There is a lack of trained staff and access to reliable financial records to carry out the responsibilities at the levels now assigned.

For purchases made within the Capital region, delegated commitment certificate authority and payment authority, under Section 25 and 26 of the Financial Administration Act respectively, should be transferred to the Financial Services Section of the Finance and Administration Services Division.

This recommendation will be subject to further discussion.

PRE-AUDIT

- Also following the review in 1974 by the Administration Policy Branch of the Treasury Board Secretariat, the pre-audit function was delegated to the responsibility centre level. The responsibilities under Section 26 of the Financial Administration Act are more dependent for fulfillment on the performance of an adequate pre-audit than those under Section 27. In addition, the present system does not allow for sufficient independence in the performance of the pre-audit.

For purchases made within the Capital Region, the responsibility for the pre-audit function should be reassigned to the Financial Services Section of the Finance and Administration Services Division.

This recommendation will be subject to further discussion.

- The present quality control (procedural and operational audit) procedures should be eliminated and replaced by test audits by the Internal Audit group.
- The performance of the pre-audit is indicated by the initials of the clerk on the supplier's invoice. There is no indication whether or not all the required tests have been performed, or whether the tests have been performed by a number of individuals or only by the individual whose initials appear on the invoice.

This recommendation will be implemented as soon as an Internal Audit group is established in the course of 1976-77.

OBSERVATIONS AND RECOMMENDATIONS

COMMISSION'S COMMENTS

All those participating in the payment verification process should be required to initial the documents concerned as an acknowledgement of the responsibility for the checks performed.

This recommendation will be implemented during 1975-76.

INTERNAL ACCOUNTING CONTROL

- There are no written procedures for the batching and control of documents forwarded to the Department of Supply and Services or to the Commission's Information Management Centre for processing. The output totals are not compared with input totals unless a problem in reconciliation becomes evident.

Written procedures should be developed, documented in the Financial Manual and implemented for the processing and control of batches of documentation sent for entry into the Department of Supply and Services and internal data processing systems.

This recommendation will be implemented during 1975-76.

- The Department of Supply and Services verifies Section 26 authority only and there is no procedure within the Public Service Commission to verify the authenticity of spending and payment authority immediately before cheque requisitions are submitted for payment. As a result, fictitious documents could be inserted into the payment system and public funds could be misappropriated.

An employee independent of the processing and approval of cheque requisitions should verify the authenticity of signatures for both spending and payment authority as a final step before submitting cheque requisitions to the Department of Supply and Services for processing.

This recommendation will be implemented during 1975-76.

PAYROLL

- The concentration of personnel and payroll functions within the Commission's Personnel Division constitutes a serious weakness in internal control which could lead to errors and possible misappropriations of public funds.

Financial officers should be responsible for the adequacy of internal controls in the payroll area.

This recommendation will be implemented during 1975-76.

- Payroll cheques are forwarded for distribution to the Personnel Division employees who provide payroll preparation input to the Department of Supply and Services.

OBSERVATIONS AND RECOMMENDATIONS

Controls should be implemented within the Personnel Division to prohibit access to payroll cheques by employees providing payroll preparation input to the Department of Supply and Services.

- Periodic distributions of pay cheques directly to employees should be made by the Internal Audit Group.
- The procedures and responsibilities with respect to all aspects of pay preparation, distribution and recording should be documented in the Financial Manual.

REGIONAL CHEQUE ISSUE

- Under the present system, following processing for Section 25 and 27 approvals, documents for all expenditures incurred at the regional level must be forwarded to headquarters for Section 26 approval and batching for Department of Supply and Services cheque issue.

Use should be made of local Department of Supply and Services cheque issue facilities as soon as the required financial capability is available in the regional offices of the Commission.

REVENUES

- The Bureau of Staff Development and Training Revolving Fund revenues, representing virtually all of the Commission's revenue from outside sources, amounted to approximately \$18,000,000 for the fiscal year ended March 31, 1975. Present practices with respect to control, recording and deposit of revenue, are not documented and are ineffective from an internal control point of view.

Written policies and procedures for the effective control, recording and deposit of revenue should be developed, included in the Financial Manual and steps taken to ensure that the procedures are followed.

COMMISSION'S COMMENTS

This recommendation will be implemented during 1975-76.

This recommendation will be implemented as soon as an Internal Audit Group is established in the course of 1976-77.

This recommendation will be implemented during 1975-76.

Commission management has approved regional positions to allow regional cheque issue. Due to budget restrictions, this may not be possible before April 1, 1976.

A detailed study of the handling of incoming mail has recently been completed. A detailed application study of the Staff Development Branch revenue processing function is in progress and will be completed in 1975-76.

**REVOLVING FUND, ACCOUNTS
RECEIVABLE AND ACCOUNTS PAYABLE**

- Accounts receivable within the Bureau of Staff Development and Training Revolving Fund relate to an estimated annual volume of \$18,000,000 of which approximately \$4,000,000 are receivable at any given time. This constitutes virtually all of the Commission's accounts receivable from outside entities. An accounts receivable control account is not maintained in the revolving fund general ledger but rather month-end receivables balances are determined by totalling the subsidiary ledger.

A general ledger control account for accounts receivable should be established in the revolving fund general ledger and should be reconciled to the subsidiary ledger on a monthly basis.

- The monthly listing of accounts receivable should include an aging analysis.
- The division of responsibilities with respect to the accounts receivable function should provide for a segregation of duties for the operation of the general ledger control account, the maintenance of the subsidiary ledger and the receipt of payments.
- The up-to-date accrual of revolving fund revenues combined with the inadequate accrual of accounts payable causes an improper matching of costs and revenues thereby distorting management reports.

Goods and services received by the revolving fund should be recorded in the accounts on the accrual basis.

A Bureau of Management Consulting study covering this recommendation has been completed and will be implemented in 1975-76.

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This recommendation will be implemented April 1, 1976.

**FURNITURE AND EQUIPMENT
INVENTORIES**

- Written policies and procedures covering the control of fixed assets and the identification of assets surplus to requirements should be established, incorporated into the Financial Manual and steps taken to ensure that the procedures are followed.
- All fixed assets should be physically counted, identified and recorded in a fixed asset register before the date of the scheduled move of the Commission's headquarters.

This recommendation will be implemented during 1975-76.

This recommendation has been implemented. A physical inventory count is now underway and is scheduled for completion by October 1, 1975.

INTERNAL AUDIT

- At present there is no established internal audit function within the Commission.

The Commission should establish an internal audit function.

The establishment of an internal audit group has been approved by Commission management but resource implications have delayed implementation until the 1976-77 fiscal year.

EXECUTIVE PRIORITIES

- While the Commission has established an annual Management Committee Conference to discuss and define the Commission's priorities for the coming years, communication of these priorities to all organization levels involved in the budgetary process has not been consistent throughout the Commission.

Before the Management By Objectives and Program Forecasts preparation, executive priorities for the coming years, detailed enough to provide effective guidance, should be communicated in writing to each organizational level involved in the budgetary process.

This approach was used last year and will be further developed for the preparation of 1977-78 Program Forecast.

**PREPARATION OF BUDGETARY
SUBMISSIONS**

- The Commission should establish and document in the Financial Manual the processes to be followed throughout the Commission in preparing Program Forecasts, Estimates and operating budgets, including a general description of the roles of each of the levels of the Commission organizational hierarchy.
- Formalized policies and procedures should be developed concerning the nature of the review, challenge and approval of budgetary submissions to Treasury Board and their supporting documentation.

This recommendation will be implemented in 1975-76.

This recommendation will be implemented in 1975-76.

OPERATING BUDGETS

- At present, the preparation of the Main Estimates by the Department serves two purposes: submissions to the Treasury Board as support for requested resources and as the detailed budgets for each activity element. The Main Estimates are prepared in a strict format to conform to Treasury Board rules and thus are not necessarily compatible with the requirement for realistic operating budgets.

OBSERVATIONS AND RECOMMENDATIONS

Operating budgets should be prepared as close as possible to the start of the applicable year so that they can be based on realistic estimates of expenditures.

- Operating budgets, except for those within the Finance and Administration Services Division, are not broken down into monthly budgets. As a result meaningful variance analysis is not possible and managers are not provided with benchmarks against which to compare actual results.

Operating budgets should be sub-divided into monthly budgets and comprehensive monthly variance analyses should be prepared.

COMMITMENT AND ALLOTMENT CONTROL

- Also following the review in 1974 by the Administration Policy Branch of the Treasury Board Secretariat, the responsibility for maintaining commitment control records was delegated to the responsibility centre level.

For responsibility centres within the Capital Region, the responsibility for maintaining commitment control records should be transferred to the Financial Services Section of the Finance and Administration Services Division.

- The projected expenditure section of the Budget Expenditure Comparison report simply constitutes an extrapolation of year-to-date expenditures. The projection is based on the false premise that expenditures are distributed equally over the 12 months of the operating year. As a result the information presented could be misleading and result in incorrect management decisions.

The projected expenditure section of the Budget Expenditure Comparison report should be improved to reflect a realistic, informed estimate of future expenditures.

- Individual responsibility centres are allowed to commit funds in excess of their budgets provided that the branch or division as a whole stays within its budgetary limitations. However, there is no appropriate control procedure to ensure that this overall branch or division commitment limitation is not exceeded.

COMMISSION'S COMMENTS

Steps have already been taken and this recommendation will be fully implemented in the preparation of future operating budgets beginning with those for the 1976-77 fiscal year.

This recommendation will be implemented in the preparation of future operating budgets beginning with those for the 1976-77 fiscal year.

This recommendation will be subject to further discussion.

This recommendation will be implemented during 1975-76.

OBSERVATIONS AND RECOMMENDATIONS

Written policies and procedures governing the over-commitment of funds by individual responsibility centres and the signing of Section 25 certificates in over-commitment situations should be established and documented in the Financial Manual and implemented.

- Monthly expenditure totals of the Department of Supply and Services and Commission financial systems should be reconciled on a timely basis.

FINANCIAL SYSTEMS AND REPORTS

- Monthly financial reports available to management are of limited value since the information provided is not sufficiently complete, accurate or timely.

The Commission should proceed, as quickly as possible, with the investigation of ways and means of producing meaningful management reports, including discussions with the Department of Supply and Services. The views of individual managers should be sought and their requirements taken into consideration in any decision on a reporting format.

- The Information Management Centre prepares monthly financial reports for management. However, the Centre was intended for and gives priority to the staffing function with the result that the reports are not produced on a consistent timely basis and are often distributed too late to be very useful.

Use of the Information Management Centre computer facility for financial reporting purposes should be reviewed. Alternative means should be explored, such as the Department of Supply and Services and the NCR mini-computer currently used for the Allotment Control system.

REVOLVING FUND SYSTEM

- The Commission's record of advances received by the revolving fund from the Consolidated Revenue Fund should be reconciled on a monthly basis to the Central Accounts maintained by the Department of Supply and Services.

COMMISSION'S COMMENTS

This recommendation will be implemented during 1975-76.

This recommendation will be implemented during 1975-76.

The reporting structures involving the Department of Supply and Services have been subject to several months negotiations. Resolution of financial reporting inadequacies is under active review and viewed by Commission management as high priority.

A Bureau of Management Consulting study has been completed on the overall computer requirements of the Commission and is in process of implementation.

This recommendation will be implemented during 1975-76.

DEPARTMENT OF PUBLIC WORKS

Observations and recommendations as at May 1975.

Departmental Comments as at July 1975.

OBSERVATIONS AND RECOMMENDATIONS

ORGANIZATION

- The financial function should have active participation in the design of, and full responsibility for internal control aspects of, systems operated by other functions and generating financial data.

STAFFING IN FINANCIAL AREA

- Existing financial staff resources are not adequate to meet the growing needs of a department as large and complex as Public Works. To plan for the development and recruitment of the necessary increases in number and quality of financial staff, a comprehensive study should be undertaken, comparing present and future requirements with current resources.
- Financial officer classifications should be reviewed in light of job responsibilities compared to those of similar positions in other departments and renegotiated with the Treasury Board where necessary.
- In order to conform to departmental policy, a system should be instituted of ensuring that all financial officers are appraised at least once per annum.

QUALITY OF COMMUNICATION OF FINANCIAL REQUIREMENTS

- The Financial Management Manual should be revised using the Treasury Board Guide on Financial Administration as a base. All systems generating financial data should be fully documented using a combination of flow-chart and narrative techniques.

DEPARTMENTAL COMMENTS

Effective steps have been taken to ensure that all systems generating financial data will be studied by the financial organization to provide for proper internal control and integration with other financial systems within the context of other managerial requirements.

At present, highly qualified and capable personnel staff the financial area; however, a study will be initiated to examine the numerical requirements with particular attention to the qualifications and experience needed.

Senior financial officers of the Department have already participated in a review of the classification standard. Future input to such studies will continue as this area is of prime concern to departmental officials.

Agreed. Steps will be taken on a departmental basis within the financial function to ensure that the appraisal system is followed.

The development of an effective financial manual is now under way; however, a further review will be made taking into account the flow-chart and narrative techniques suggested.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

EXPENDITURE CONTROL POLICIES AND PROCEDURES

- Quarterly reports should be submitted to Headquarters explaining all discretionary exceptions to the departmental requirement to put leases to tender.
- Pay cheques should be retained by a senior financial officer divorced from pay accounting until they are given to the responsibility centre managers for distribution.
- Man-year utilization records should be reconciled monthly to pay lists, in regions not currently carrying out this procedure.

A procedure will be implemented to effectively monitor the use of regional discretion.

This suggestion is accepted and is being implemented.

This is a required departmental procedure which will be enforced more stringently.

CONTROL OF REVENUES INCLUDING ACCOUNTS RECEIVABLE

- Systems of internal control over revenues should be the subject of an in-depth review to ensure that revenues are properly controlled.
- The Department should eliminate the subsidization of reimbursing agencies in the provision of Northern Housing.
- The Department, under current Treasury Board housing regulations, is obliged to subsidize all other user programs. The full costs of providing such housing should be transferred to the departments concerned.

The Financial Management System and accounts receivable procedures implemented on April 1, 1975, should greatly improve internal control over revenues and this will be carefully monitored over the next twelve months.

In renegotiating rates, the suggestion will be followed.

Discussions with Treasury Board on this subject are continuing along the lines of the observation.

LAND, BUILDINGS AND LEASEHOLD IMPROVEMENTS

- A co-ordinated effort should be made to complete the Central Real Property Inventory, enabling it to become a record more useful to all government departments and agencies.
- Arrangements should be made with the Department of Supply and Services to establish a system to ensure that additions to federal real property agencies are reported to the Department for updating the Central Real Property Inventory.
- The Department should:
 - (i) review its current and proposed real property inventory systems to rationalize and to co-ordinate them; and then

The Department concurs.

This suggestion has merit and will be reviewed with the appropriate agencies.

The need for such measures has, in part, been recognized within the Financial Management System and steps will be taken to ensure rationalization and continuing co-ordination of these systems.

OBSERVATIONS AND RECOMMENDATIONS

- (ii) reconcile the remaining systems and introduce financial or quantity controls to ensure that these systems remain parallel in future.
- The costs to be capitalized in the Financial Management System, for assets acquired after April 1, 1975, should include all direct costs and applicable indirect costs.

LONG-TERM RECEIVABLES

- The status of all loans and advances should be established, and they should be recorded within the Financial Management System. Future reports on receivables should include all loans, whether current or not, and should comment on their status.

TRUST ACCOUNTS

- The system governing contractors' holdbacks should be revised to provide for more regular reconciliation and reporting, highlighting old and unusual items.

INTERNAL AUDIT

- The departmental audit committee should establish the specific goals and objectives of the Internal Audit Division and take a more active part in directing its activities.
- Immediate steps should be taken to upgrade the professional capability of the Internal Audit function.
- Rather than report to the Director of Finance, Internal Audit should report to a member of senior management who is more divorced from financial operations.
- The audit approach should emphasize evaluation of systems of financial management and control and recommendations for improvements.
- Audit reports should highlight recommendations and contain a management summary.
- Internal Audit should prepare an annual report for distribution to members of the Management Committee.

CLASSIFICATION OF ACCOUNTS

- The Department should open negotiations with the Treasury Board for a program/activity structure more relevant to its operations.

DEPARTMENTAL COMMENTS

The system implemented from April 1, 1975 provides for the inclusion of all such costs.

The accounts receivable procedures in the Financial Management System now provide for these recommendations.

The system will be revised accordingly.

This will be done.

This is agreed to and all avenues will be explored including the revision of position classifications and the rotation of management staff through the function.

The function of Internal Audit will be separated from immediate and direct association with the Director of Finance.

The need is recognized and steps have been taken to emphasize systems audits.

Future reports will take account of this recommendation.

The Department welcomes this recommendation and will produce such a report.

Discussions have already taken place and will continue.

PROGRAM FORECASTS

- The Executive Committee should develop and issue annual formal policy guidelines to aid regional management in preparing Program Forecast submissions.
- In the longer term, the Department should aim towards more centralized Program Forecast preparation with a "top-down" emphasis.
- The unit-cost approach to planning should be expanded to cover all practicable areas of departmental expenditures.
- Further analysis and stratification of building types should be made to explain and to account for regional disparities in preparing Program Forecasts.
- The Department should negotiate with the Treasury Board for a formal liaison function to enable it to have access to plans affecting client departments' space requirements.

This approach has been planned for the next Program Forecast exercise.

It is intended to begin a "top-down" approach in the fall of 1975.

This is definitely the Department's intention and the approach will be extended to the other areas as soon as background data is available.

The Department is moving gradually to product line identification and output coding structures which will provide such distinction.

Efforts along these lines are continuing.

MAIN ESTIMATES

- Capital project cost estimates, as disclosed in the Estimates, should be annotated to differentiate between those based on current value estimates and those based on signed contracts.
- The Department should propose to the responsible central agencies that the Accommodation Program be credited for services provided to other departments, such credit, and the memorandum charges to user programs, being updated for Public Accounts presentation purposes.
- All significant real property leases with options to purchase should be subject to disclosure requirements similar to those governing regular capital acquisitions.

This will be done commencing with the 1976-77 Estimates submission.

This will be discussed with the responsible agencies.

This will necessitate changes to Treasury Board requirements affecting other departments and agencies and will be discussed with the Treasury Board Secretariat.

**BUDGETARY CONTROL AND CASH
FORECASTING**

- As soon as the financial management and performance measurement reporting systems are fully operational, a field study should be conducted to establish the degree of managerial acceptance and use of such reports with a view to eliminating all manual reporting systems.
- The capital project reporting systems should be the prime vehicle for capital expenditure forecasting and immediate steps must be taken to ensure that they regularly generate realistic reports.

Such a review is scheduled for late 1975-76.

The Department agrees and steps are being taken to ensure the reliability of these reports in future.

FINANCIAL REPORTING

- To eliminate duplication in processing, arrangements should be made for the Department of Supply and Services to accept, for their requirements, departmental data as prepared for the Financial Management System.
- Control procedures in clearing Financial Management System edit reports should be properly documented.
- The financial content of the annual report should be expanded with the objective of producing comprehensive financial information about the activities and operations of the Department.

Discussions with the Department of Supply and Services have been taking place for some time and will continue.

Documentation of procedures is now complete.

The current financial presentation in the annual report will be revised in line with this recommendation.

ROYAL CANADIAN MOUNTED POLICE

Observations and Recommendations as at June 1975.

Departmental Comments as at August 1975.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

ORGANIZATION OF THE FINANCIAL FUNCTION

- The Force emphasizes direct reporting relationships in its operations. Although a degree of functional control is evident certain observations indicated that improvements in this area could be made.

Functional relationships between the Financial Services and Supply Directorate and the Financial Services and Supply Officers in the divisions should be improved by:

- (a) reflecting these relationships adequately in organization charts and in position descriptions as well as in the Administration Manual of the Force;
- (b) making performance ratings of individuals performing financial functions in the divisions available to, and for review by financial officers at Headquarters, Ottawa, responsible for the functional control and direction of divisional staff; and
- (c) emphasizing functional control and direction over the financial aspects of the Force to a greater degree than at present, especially where new entities are created.

Agreed. Functional control of the Financial Branches in the Divisions, as well as specialized units requiring financial support personnel, is being exercised by the Director, Services and Supply, through the formulation and interpretation of financial policy on a standardized basis across the Force. This includes the necessary monitoring and follow-up action to ensure that financial responsibilities are being carried out properly. Action has already been taken to define more clearly this functional relationship in the Administration Manual. A program to update organization charts and position descriptions to reflect this functional relationship will be initiated.

Performance ratings are reviewed by the Director, Services and Supply, at such times as selection or upgrading proceedings are required; however, the adoption of a system for the regular referral of such ratings will be examined.

**STAFFING OF THE FINANCIAL
FUNCTION**

- The Force has maintained an adequate staff level in the financial function. Although some key financial positions are filled by public servants most are staffed with Force members.

Consideration should be given to developing adequate opportunities for advancement and improved career paths for public service employees with financial responsibilities in order to attract and retain desirable staff.

- Adequate formal financial training and development within the Force is concentrated at the Ottawa Headquarters level whereas divisions employ on-the-job training as the medium for educating their personnel.

Formal financial training and development courses should be developed by the Training Branch of the Organization and Personnel Directorate in collaboration with the Financial Services and Supply Directorate for use on a regular basis at the divisional level.

- Position descriptions are not updated on a regular basis and are not formulated in a manner which appropriately reflects financial responsibilities and duties and functional relationships in definitive terms.

Position descriptions should be revised to reflect adequately and clearly the duties, responsibilities and functional relationships of persons performing financial functions. Once revised, they should be reviewed on a regular basis.

**COMMUNICATION OF FINANCIAL
REQUIREMENTS**

- The financial management and control systems and procedures now in use are not, in all respects, adequately documented in the Administration Manual.

A realignment of responsibilities during the past year has recognized the contribution of several valued employees through a significantly improved classification level. The Force is keenly aware of the need to attract and retain capable staff and will continue to give emphasis to developing improved career paths for public service employees.

Agreed. Training Branch has already been requested to assist in developing training suitable for use at the Divisional level.

Agreed. A system for reviewing position descriptions on a regular basis is to be developed in conjunction with the identification of functional relationships.

OBSERVATIONS AND RECOMMENDATIONS

The Force should ensure that the financial content of its Administration Manual is complete and comprehensive.

EXPENDITURE AND REVENUE CONTROL POLICIES AND PROCEDURES

- The Force has an intense awareness of good financial management and control which has resulted in a continuous updating of financial systems and procedures to meet changing requirements. Additional improvements in the control of expenditures and revenue could be attained in respect to the existing internal check, increased use of standardized and pre-numbered documents, verification of management information reports and the manner in which certain subsidiary revenue records are maintained.

The Force should, at the time of preparing its revisions to the financial section of the Administration Manual, ensure adequate and appropriate amendments in its expenditure and revenue accounting systems and procedures to provide completeness, authority and accuracy of financial data from initiation through processing and reporting.

SUPPLIES AND CAPITAL EQUIPMENT

- The Force should document and circulate suitable inventory procedures including instructions on purchase and issue cut-off, obsolescence and the manner of counting and reconciling physical stock.

DEPARTMENTAL COMMENTS

The Administration Manual is basically for use by all field personnel and is not intended to reflect the detailed systems and procedures followed only by the financial units. The need for a comprehensive financial policy and Procedures Manual for use by financial personnel has been recognized for some time as a requirement and work is now under way to ensure that such a Manual is provided.

The development of the new Financial Policy and Procedures Manual is proceeding with a view to evaluating and documenting all expenditure and revenue control systems utilized in the Force.

The inventory records and stock procedures maintained in the Force provide a high level of control and no significant losses have been encountered. However, instructions contained on various Departmental Forms do permit various approaches to maintaining inventory records and reconciling these records to the physical count. A more definite procedure will be developed as part of the Financial Policy and Procedures Manual.

WORKING CAPITAL ADVANCES

- In some divisions the Administration and Personnel staff attend to the daily management of the mess whereas the Financial Services and Supply staff are responsible for the approval of mess expenditures and the depositing of mess funds.

The Force should consider the realignment of authority and responsibilities between the branches involved in the divisional mess operations so as to permit a more effective financial control in this area.

- Effective April 1, 1975, the Cloth Working Capital Advance was extended to cover all completed articles of Clothing and Kit stocked by the Force.

The Force should ensure that the initial inventory of the Clothing and Kit is accurately determined, encompasses the stock maintained at "Depot" Division, Regina, and appropriate documentation of and adherence to, an adequate costing policy and supporting cost system.

The reporting procedures followed by the Messes at Division level were originally established to ensure proper separation of responsibility at a time prior to the appointment of Financial Officers in the Division. This recommendation will now be examined with a view to placing the entire operation of the Messes under one responsibility centre with clearly defined procedures, including the functional relationship with Headquarters, Ottawa.

The operation of the Working Capital Advance with regard to Clothing and Kit (uniforms) is still in the development stage and will include introduction of computerized inventory control later in the year. The system is being developed in close co-operation with Treasury Board Staff. The need for accuracy in identifying initial inventory, together with the adherence to an adequate costing policy, is well recognized. The establishment of an imprest inventory system to control the stock maintained at the "Depot" Division Store is being examined as an alternative to including that stock as part of the Working Capital Advance. The Departmental target for the full implementation of the system is April 1, 1976.

INTERNAL AUDIT

- The Force now has two formalized audit units which operate independently of each other, the Financial Audit Unit and the Operational Audit Unit. The Financial Audit Unit is directed by, and reports to, the Director of Services and Supply. The Operational Audit Unit forms part of the Commissioners' Secretariat and reports to the Commissioner.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

An audit committee should be established to be responsible for the direction and supervision of all internal auditing within the Force as well as the review of audit findings.

The Force should amalgamate the Financial Audit Unit and the Operational Audit Unit into one audit section directed by, and reporting to, the audit committee.

- Inadequate emphasis has been placed on evaluation of internal control systems and procedures before determining the extent of audits. The audit Responsibilities of the Financial Audit Unit do not encompass all financial areas of the Force, such as payroll.

Audit responsibilities and procedures should be appropriately expanded, revised and documented to encompass all facets of revenue and expenditures.

Agreed. The benefits of an Audit Committee are recognized and action will be initiated immediately to determine the membership and terms of reference for such a Committee.

The present Operational Audit Unit was formed in 1974 to replace an Inspection Team which dealt primarily with policing matters. The Financial Audit Unit was established to meet the post audit responsibilities delegated to the Department as a result of Financial Administration Act amendments in 1969. Amalgamation of the two units appears to be a reasonable course of action and this recommendation will be made subject of a study with particular emphasis on the feasibility of having the Financial Audit Unit report through the Officer i/c Operational Audit Unit to the Audit Committee.

Financial audit procedures to meet the Force's particular needs have been partially developed. Completion is planned prior to the end of the 1975-76 fiscal year and will form part of the new Financial Policy and Procedures Manual.

BUDGETARY CONTROL

- The Force has planned for the establishment of Planning Units in the divisions. Although some divisions have set up Planning Units the Divisional Planning Officers do not appear to have received appropriate training, guidance and assistance from the Planning Branch in Ottawa to enable them to contribute effectively to the management of the divisions.

The Force should give greater impetus to the formation of an appropriate long-term planning capability at the divisional level with adequate and properly trained staff.

Long-term planning at the Headquarters, Ottawa level has long been emphasized as the key to effective budgetary control. The recent appointment of a new Planning Officer at Headquarters, together with the phasing-in of Planning Units in all Divisions, will facilitate an improved approach to long-range planning on a more decentralized basis.

OBSERVATIONS AND RECOMMENDATIONS

- For some time the Force has recognized the need for, and problems inherent in, the long-term planning aspect of budgetary control. Emphasis on certain facets of long-term planning would effect further improvement in this area.

The long-term plans of the Force are revised annually and reflected in its Policy, Objectives and Goals publication. The present format of the publication does not lend itself to integration with the Program Forecast submission or effective monitoring and assessment of achievement and utilization of resources. The role and responsibility of staff assigned the task of reviewing continuing programs and projects for cost-benefit effectiveness and priority does not appear to be adequately documented.

The Force's Policy, Objectives and Goals publication should be sufficiently definitive to permit formal and visible comparisons with Main Estimates and achieved results in qualitative and quantitative terms. The systems, policies and procedures associated with the planning, forecasting and estimating processes should be documented in the financial section of the Administration Manual.

- An informal sub-committee comprising certain members of the Planning Board-Budget Committee has evolved which makes decisions on financial matters without appropriate consultation with members of the full Committee.

The Force should ensure that any major planning, resource allocation or budgeting decisions are only made by officers with formal authority to do so and that these decisions are communicated, with adequate explanations, to appropriate financial and operating executives on a timely basis.

DEPARTMENTAL COMMENTS

As part of the preparation of the new Financial Policy and Procedures Manual, it is planned to document Budget Cycle procedures, including a more formal monitoring by Headquarters and Divisional Planning Units of the programs in terms of achieved results.

The formal Planning Board approves Policies, Objectives and Goals, together with Program Forecast and Main Estimate plans. A smaller Committee, composed of senior management officers and chaired by the Deputy Commissioner — Administration, has been delegated authority to take executive action to achieve the objectives and goals within the broad guidelines. A procedure is being initiated to ensure that copies of these decisions are provided to all members of the formal Planning Board on a regular basis.

OBSERVATIONS AND RECOMMENDATIONS

- Throughout the Force emphasis is placed on controlling resources and budgets in terms of man-years and total money spent. Although the Force considers the level of operations in terms of activities and progress towards documented plans and goals it does not do so on an extensive basis or in a formalized manner. The Force is now testing an Operational Performance Measurement System it hopes will assist in controlling resources by activity. Continuing decentralization of responsibility and authority within the Force requires that the divisions improve their budgetary systems to help account for resource utilization and achieve stated plans and goals.

The Force should initiate an appropriate budgetary control system within each division to coincide with the authority and responsibility assigned to the divisions. This system should place greater emphasis on the use of activity-based reports to monitor and control the use of resources.

Formal divisional budgetary committees should be formed, comprised at least of the Commanding Officer, the Financial Services and Supply Officer, the Administration and Personnel Officer and the Planning Officer. It should be responsible for the budgetary control aspect of the division.

FINANCIAL REPORTING

- The Force has been assigned a Departmental Services Officer by the Department of Supply and Services who is responsible for the processing of financial transactions, the administration of the Force members' pay and production of major financial reports. The Departmental Services Officer attends solely to the needs of the Force and does not provide services to any other Government department.

The role, duties, responsibilities and authority of the Departmental Services Officer as they affect the Force, as well as the functional control the Force exercises over the Departmental Services Officer, should be appropriately documented.

DEPARTMENTAL COMMENTS

The present budgetary control system is designed to coincide with the responsibility assigned to Divisions. The use of activity based reports as a means of control has not been considered practical from the standpoint of the Force's organizational structure at the Division level. A study of this recommendation will be undertaken with the objective of determining the most effective budgetary control system.

With the formation of Planning Units at Divisions it is planned to organize the existing informal budgetary committees into formal committees in accordance with the recommendation.

Agreed. The Force enjoys a very satisfactory working arrangement with the Departmental Services Officer; however, the precise role, duties, responsibilities and functional relationship have not been documented. Corrective action will be initiated in this regard.

OBSERVATIONS AND RECOMMENDATIONS

- The Departmental Services Officer services the needs of the Force through a computerized financial system independent of, but appropriately integrated with, the systems operated by the Department of Supply and Services. There is an indication that the computer facilities of the Departmental Services Officer may be inadequate for the needs of the Force.

The Force should ensure that the computer facilities of the Departmental Services Officer are adequate to meet the demands for timely financial management information.

The systems and procedures of the Departmental Services Officer should be adequately documented and circulated to appropriate staff within the Force.

- The purpose of financial reports and the benefit which users can obtain from them has not been adequately interpreted and communicated throughout the Force by Ottawa Headquarters.

The Force should ensure that its financial management information system meets the needs of staff at the headquarters and divisional level and that adequate consideration is given to explaining the usefulness of each report.

- Additional financial management information is obtained from various supplementary reporting systems operated by certain branches within the Force and other Government departments. Responsibility for the system design, processing, reporting and control is assigned to the applicable user-group. These supplementary systems are not, in all cases, a natural output of the main reporting system. Thus differences and inefficiencies occur.

The Force should ensure that all supplementary financial management reporting systems are appropriately documented in the Administration Manual and are suitably integrated with the main reporting system. Responsibility for design and implementation of all supplementary financial management information systems should be assigned to the Financial Control and Reporting Section of the Financial Management Branch.

DEPARTMENTAL COMMENTS

A study is now under way to determine the type of computer equipment necessary to meet the Force's requirements. This study will include an updating of the financial reports required as well as documentation of the systems and procedures in the Financial Policy and Procedures Manual.

Agreed. Necessary action will be initiated.

OBSERVATIONS AND RECOMMENDATIONS

- The Force, through its Canadian Police Information Centre Directorate (CPIC), operates a sophisticated computer complex which deals primarily with law enforcement information. The availability of computer facilities within CPIC prompted the Force to place some of its management information requirements with CPIC. This was done before completion of a study of the computer operations of the Departmental Services Officer. It would be preferable not to use CPIC for providing financial management information due to the present staff level of this directorate, the additional security risks, the conflict with the main objective of CPIC, the future role of the Departmental Services Officer and the problems of computer system compatibility and integration.

The Force should consider centralizing its management information system with the Departmental Services Officer to the extent practicable.

DEPARTMENTAL COMMENTS

This matter has been the subject of considerable discussion by the Planning Board. The Board, for security reasons, has favoured using CPIC facilities for providing certain management type reports. However, the feasibility of this recommendation will be examined in conjunction with the study to determine the computer equipment required by the Departmental Services Officer.

DEPARTMENT OF THE SOLICITOR GENERAL

Observations and Recommendations as at December 1974.

Departmental Comments at at July 21, 1975.

The study only covered programs reporting to the Commissioner of the Canadian Penitentiary Service and the Deputy Solicitor General and therefore excluded the operating expenditure of the following votes:

Vote 15: National Parole Board

Votes 20 and 25: Royal Canadian Mounted Police

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

CANADIAN PENITENTIARY SERVICE

THE ROLE OF FINANCE

- The senior financial officers do not actively participate as part of the senior management team at any of the three levels of the Canadian Penitentiary Service (headquarters, regions and institutions), for two reasons: first, management appears to view the value of the financial function as minimal; and second, financial positions are not classified sufficiently senior to attract officers of the required level of competence. Thus the contribution of the financial function does not meet the needs of CPS.
- Senior management should support the program initiated to strengthen the financial function and include senior financial officers on the senior management teams to obtain their full contribution.

Agreed. The rapid growth of the Canadian Penitentiary Service and changes in program emphasis during the past five years necessitated reorganizational studies in many program areas. As a result the Deputy Commissioner Operational Services and his regional counterparts were designated to be the senior officers responsible for several administrative areas including financial administration. They in turn are advised by Director of Financial Service or Regional Financial Administrator who are the senior financial officers responsible for implementing financial policies and providing financial expertise. The roles of the senior financial officers will be re-examined to ensure that their financial administration function is fully effective and will meet the needs of CPS.

Agreed. A study was undertaken in 1974 by the Bureau of Management Consulting (BMC), at our request, to review the organization of the Financial Services Directorate at CPS headquarters and certain field positions. Implementation of the major recommendations of the study is under way and is expected to improve the financial management function significantly.

OBSERVATIONS AND RECOMMENDATIONS

- In addition, for the Director of Finance to effectively exercise his functional responsibility for financial matters in the Department, he should participate in the evaluation of all regional financial officers and other officers with financial duties.

ORGANIZATION OF FINANCIAL SERVICES

- The present haphazard allocation of financial functions identified by the Bureau of Management Consultants in their study of the "Headquarters Financial Services" should be changed to conform with the proposals contained in their report or another allocation approved by management.
- Training programs should be introduced to help achieve a uniformly high quality of performance of financial functions by the responsible staff.

MANUALS AND REFERENCE SOURCES

- The Financial Services Manual and other Canadian Penitentiary Service financial reference sources should be consolidated into a new manual which should be a practical working document that explains how to carry out the duties.

STAFF TURNOVER

- The Canadian Penitentiary Service should determine the reasons for the high turnover of certain levels of staff with financial responsibility and take remedial action.

INMATE LABOUR

- When inmate labour is to be used to perform financial duties this should be recognized as a rehabilitation program and the necessary resources should be supplied to provide adequate training and supervision.

PAYROLL

- The following changes should be made to the payroll system to improve internal control:
 - (a) the control aspects of the payroll function should be the responsibility of finance;

DEPARTMENTAL COMMENTS

Agreed. We are planning to implement a system similar to that suggested in the Guide on Financial Management whereby the senior financial officer will review performance evaluations of financial officers throughout the Service made by the managers to whom these officers report.

Agreed. The recommendations of the BMC study of the financial management function have been accepted by CPS and are currently being implemented.

Agreed. A limited program is in existence for in-service and out-service training of financial staff and it has produced graduates (R.I.A., C.G.A.). With the provision of a training officer this program will be intensified and extended to both financial and other management areas.

Agreed. The reorganized financial division has as one of its major priorities the compilation of a comprehensive manual of financial administration incorporating and consolidating existing financial policies and procedures.

Agreed. An organizational review of the financial function at all management levels by BMC should ensure that financial positions are classified with respect to their responsibilities. We believe that the resulting classifications will reduce staff turnover.

Agreed. In the future when inmate labour is used adequate training and supervision will be provided.

(a) Agreed. The responsibilities of finance for the control aspects of the payroll function will be recognized.

OBSERVATIONS AND RECOMMENDATIONS

- (b) the payroll system should be reconciled to the financial reporting system;
- (c) provision should be made to allocate overtime costs to the cost centre requiring the staff;
- (d) to provide an adequate division of duties the distribution of cheques should be performed by someone other than the manager approving overtime or attendance;
- (e) conditions surrounding payments to employees on leave due to injuries sustained on duty should be closely monitored.

OVERTIME

- Overtime pay represents a significant cost to the Canadian Penitentiary Service. Explanations should be obtained for significant variations in the amount of overtime among similar institutions.
- If an employee's total work week is to exceed that prescribed by the Canada Labour Code authority should be obtained from Treasury Board.

PRE-AUDIT AND PURCHASING

- The pre-audit of expenditures is the responsibility of headquarters, however effectively the pre-audit of most purchases is performed by the Regional Offices. The responsibility for the pre-audit of transactions should be transferred from Headquarters to the Regional Offices.
- To improve Financial Management and control of purchasing the following specific changes are required:
 - price adjustments should be approved by procurement officers rather than pre-audit clerks;
 - when actual costs of procurement exceed the institution's estimate, the institution should be consulted before proceeding with the purchase;

DEPARTMENTAL COMMENTS

(b) Agreed. Some aspects of payroll decentralization to Regional Service Offices have caused problems which are now being resolved.

(c) Agreed, but we have attempted, without success, to allocate overtime costs to activities. The current Department of Supply and Services pay system does not allow the flexibility to perform this operation.

(d) Agreed. This will be done by September 1975.

(e) Agreed. A study is presently being made of our control system over payments related to injury-on-duty leave. In the meantime, we have advised all regions that injury-on-duty leave should be terminated after a maximum of 120 days.

Agreed. An overtime reporting system was introduced on January 1, 1975, which provides a means by which overtime can be monitored and explanations received.

Agreed. The Personnel Division discussed this problem with Treasury Board officials on November 13, 1974, and they have indicated satisfaction with the approach we are using.

Agreed. Decentralization of the pre-audit function to regional offices is being planned and will be implemented when staff stability has been achieved in the regional offices.

Agreed. This practice will be adopted.

Agreed, however, due to present escalating prices, DSS have issued guidelines to departments outlining their policy in this regard which we have accepted.

OBSERVATIONS AND RECOMMENDATIONS

- directives should be issued requiring that goods received be subject to an inspection for quality and that food and other merchandise purchased in bulk be weighed on receipt;
- differences in the prices of food and other products purchased by institutions in the same geographic area should be investigated;
- the necessary policy directives and manuals should be supplied to staff including guidelines such as “make versus buy” policies for food rations.

DELEGATION OF AUTHORITY

- The Financial Administration Act in Sections 25, 26 and 27 provides the Department with the authority to commit, spend and pay funds. The Canadian Penitentiary Service should delegate commitment authority as specified in Section 25 of the Act.
- Employees responsible for processing transactions should be provided with a system to identify those authorized under Sections 25, 26 and 27. Authorizations should be reviewed at least annually and the systems should include specimen signature cards.
- The authority granted to specific positions should be limited to dollar amounts commensurate with the duties and responsibilities of those positions.
- The Treasury Board policy requiring that different employees sign under Sections 26 and 27 for the same transaction should be adopted.

ONE SIGNATURE REQUIRED ON CHEQUE REQUISITION

- In conjunction with the Department of Supply and Services the procedure for issuing cheque requisitions should be modified to require two signatures.

DEPARTMENTAL COMMENTS

Agreed. A directive will be issued to ensure that this is done consistently. The directive will be incorporated in the Manual.

Agreed, but different DSS supply outlets, over which we have no control, serve these institutions.

Agreed. This guidance will be given.

Agreed. A revised delegation of authority form has been developed, in consultation with the field, for the Minister's approval. This revised form incorporates the requirements of the “Guide on Financial Management” and will be in accord with these recommendations. Implementation of the new system will occur this fiscal year.

Treasury Board prescribes the form and manner of certification required for payments from the Consolidated Revenue Fund.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

COST RECOVERY

- The per diem rate for inmate care, charged to the provinces for provincial inmates transferred to the federal system, should be increased to reflect the actual cost.
- The pricing policy of farm produce should be changed to reflect current market values and a financial system should be established to provide management with reliable financial information, including the costs of the farm operations.
- The price of meals served to the public should be increased to recover their costs.

Agreed, but cost recoveries for provincial inmates transferred to the federal system must adhere to the provisions of the federal-provincial agreements negotiated with each province. The rates charged are adjusted annually.

Agreed. There have been several reviews of farm operations in CPS which suggest that the pricing policy is unrealistic. We agree with this statement. However, further funding of the Stewards operations would be required to implement this recommendation.

Present financial systems employed in the farm operations will be reviewed when our systems section becomes operational.

Agreed. We are reviewing the policy concerning meals to visitors and officers. Consultations with Treasury Board officials, Department of National Revenue and the unions have taken place or are in the planning stage.

SERVICES RENDERED AND ACCOUNTS RECEIVABLE

- Systems should be implemented for better control of the approval of credit, pricing and costing of orders, billing of shipments and collection of accounts. The systems should be documented and the procedures issued and explained to employees.
- Control accounts should be established for all accounts receivable systems within the Canadian Penitentiary Service and aged listings of accounts receivable should be prepared and reconciled to control accounts on a monthly basis.

Agreed. The systems section being developed in HQ will document and improve our current procedure for the program.

Agreed. Revenue procedures including control accounts for accounts receivable, have been in existence for many years. Increased emphasis will be placed on maintenance of these systems and development of improvements.

WORKING CAPITAL ADVANCES

- An inventory control system should be implemented in the Regional Stores. A physical count should be made of all items and all obsolete inventory should be disposed of. The levels of inventories and accounts receivable should be monitored and significant fluctuations should be investigated.
- Monthly financial statements of the working capital advances should be prepared and reconciled to the departmental statements to ensure their accuracy.

Agreed. At present, a study is under way to review the total operation of regional stores.

Agreed, this will be done. Reconciliations of all working capital advances are included annually in the Public Accounts.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

FIXED ASSETS

- The method of recording and controlling fixed assets and capital equipment should be modified to provide improved control and visibility of these assets in the financial records. The dollar value and quantity should be recorded for items of high value and mobility. For other items, a record need only be maintained of their quantities.
- To ensure that perpetual records are complete, a physical inventory should be taken regularly of all fixed assets.

Agreed. We will review procedures related to the control of equipment and other fixed assets with a view to improving them.

INMATES' TRUST FUNDS

- These balances arise when an inmate arrives at an institution with cash, or his visitors leave cash for his use, and are normally small.
- The legality of the Canadian Penitentiary Service maintaining these non-public fund accounts should be resolved and there should be disclosure of the existence of these funds in the Public Accounts. Authorization should be obtained from the Department of Finance for these bank accounts.
- The system should be changed to provide better procedures for cash management and control of these funds.

Agreed. These funds now have been identified as "Public" funds by the Treasury Board. The inmate program area in CPS is currently reviewing this and will recommend a method of administering these funds. We are under obligation to the Treasury Board to implement a procedure for the control of these funds during 1975-76 in a manner which will satisfy it as well as inmate program requirements.

INTERNAL AUDIT

- Internal audit reports should be addressed and submitted to the commissioner. He should release these to other staff members as he deems appropriate. These reports should be completed and released within a reasonable period of time.
- The Director of Finance should direct the appropriate financial officers to prepare an implementation schedule for the recommendations of these reports and monitor their progress.

Agreed. The internal audit function is the responsibility of the Management Review Division of CPS; however, follow-up procedures on items sent to financial services are being carried out by members of this Division. Treasury Board audit recommendations in this area suggest that a senior committee be established to ensure implementation of approved recommendations. This proposal is being considered by CPS.

DEPARTMENTAL OBJECTIVES

- The statement of departmental objectives and program descriptions in the Estimates provide Parliament with a basis for evaluating the cost of the different programs. They should be revised from time to time to indicate the changing emphasis of the "Correctional Service Program".

Agreed in principle. These are reviewed periodically; however, after formation of the Federal Corrections Agency, departmental objectives and programs will be reviewed and revisions made as appropriate.

PROGRAM FORECASTS

- To improve the present poor communications between headquarters and the regions and the quality of program forecast submissions there should be visits by senior financial officers to the regions to explain the program forecast exercise and the "A" and "B" budgets. To ensure that the submissions reflect the priorities of senior management a statement of executive priorities should be developed and reviewed with the regional and institutional officers prior to the program forecast.
- Due to the number and variety of institutions and programs, a ranking of programs by line management is important feedback. To provide senior management with an indicator of the success of specific programs a listing should be prepared in the order of their effectiveness, by responsibility centre managers.

Agreed. The reorganization of the HQ Financial Division will enable senior financial officers to visit field units more frequently. Some executive priorities can be communicated to the field prior to program forecasts.

Agreed. In both the OPMS project and the FCA Task Force, identification of existing programs is currently being made.

**RESPONSIBILITY CENTRE MANAGERS'
BUDGET**

- There should be close consultation by management with the responsibility centre managers when their budgets are being established to ensure their commitment to the financial goals that are established.
- Headquarters' staff should not spend from responsibility centre managers' budgets without prior consultation. If necessary a small budget should be allocated to headquarters' staff.

Agreed. Estimates submissions are reviewed by responsibility centre managers and their respective regional directors before they are submitted to HQ Ottawa.

Agreed. The functional staff at HQ does not normally spend the responsibility centre managers' budget except for items which are administered on a national level.

**VARIANCE ANALYSIS AND CASH
FORECASTING**

- The system of budgetary control and variance analysis and investigation should be monitored on a monthly basis to ensure that there are satisfactory explanations of significant variations.

Agreed. We intend to improve our systems for variance analysis and cash forecasting.

MANAGEMENT REPORTS

- The reporting system should be changed to reflect the new organization of the Canadian Penitentiary Service and provide more flexibility. This will necessitate a revision of the existing code of accounts which is necessary as the existing system requires a 25 digit code for all transactions and does not take advantage of the more simplified collator codes.
- The new system should provide for accruals and the controlled integration of the commitment system with the reporting systems to provide managers with the accurate unencumbered balance of their budgets.
- In addition management reports should include performance information for each sub-activity and the man-year utilization.

Agreed. In response to recent organization changes revisions of our activity structure are required and the code of accounts will be reviewed at that time. The collator coding approach will be investigated.

Agreed. A revised commitment control procedure was introduced on April 1, 1975, which will provide improved data for our reporting system as well as keeping managers informed on budgetary levels.

Agreed. The planned review of our reporting system will include man-year reporting. Integration of output data with financial reporting will not be possible until our OPMS study is completed.

SECRETARIAT

FINANCIAL MANAGEMENT

- The Secretariat should make its role and long-term objectives clear to its own personnel and the Canadian Penitentiary Service.
- The functional responsibility of the senior financial adviser for the daily financial operations should be increased.

Agreed. High priority will be given to communication within the Secretariat and with the other departmental agencies.

Agreed. Corrective measures have been taken.

DEPARTMENT OF SUPPLY AND SERVICES

SERVICES SECTORS

Observations and Recommendations as at June 1975.
Departmental Comments as at August 1975.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

ORGANIZATION OF THE FINANCE/ ACCOUNTING FUNCTION

- The Management Committees of the Operational and Management Services sectors of the Department should implement recommendations under study with respect to the reorganization of the Comptroller's branch in order to:
 - formally establish existing reporting relationships in the Operational Services sector;
 - strengthen the position of Financial Management Advisor in the Management Services sector and thus improve the quality of financial services;
 - establish functional authority over administrative personnel having financial responsibilities; and
 - strengthen internal controls.

Agreed. A study is under way to achieve the objectives mentioned.

COMMUNICATION OF FINANCIAL ARRANGEMENTS

- Financial manuals related to the operations of the Receiver General and the internal financial practices of DSS should be catalogued. The resultant information should be circulated regularly to appropriate financial and administrative personnel within the Department so that they may be apprised of the existence of available manuals.
- Continued emphasis should be placed on consolidating the manuals related to the internal financial administration of the Department into one comprehensive publication.

It is agreed that a catalogue of financial manuals would provide a reference point for employees. Such a manual will be prepared and circulated widely.

The departmental financial management manual, in succeeding volumes, will achieve the necessary consolidation.

**DOCUMENTATION OF PAYMENT AND
RECEIPT PROCESSING**

- The manual which outlines the payment and receipt procedures should be revised so that minor errors and omissions are corrected and a number of audit steps which have not been described in depth are elaborated on.

Procedural documentation for receipts and payments is being updated.

DELEGATION OF AUTHORITY

- Documents with respect to the delegation of authorities for approval of spending, contract performance and payment which were approved by the Minister on May 7, 1974 should be enforced and all signing officers should have their responsibilities clarified.
- Section 27 authority under the Financial Administration Act should be assigned to officers of the branches who are in the best position to certify the performance of all terms and conditions of purchase contracts.

The delegation of authorities for the approval of spending, contract performance and payment as approved by the Minister has now been implemented. A general verification will be made to ensure that all signing officers are conversant with their responsibilities.

Signing authority for Section 27 is in the process of being delegated to those who are in the most favourable position to verify that work has been performed, or services rendered.

CONTROL OF PAYMENTS

- Procedures with respect to branch payments should be designed, documented and implemented to establish uniform practices within the branches and to overcome weaknesses in internal controls relating to the pre-audit function and invoice approval.

Branch procedures related to the verification of receipt of goods, preparation of cheque requisitions, etc., will be documented in order to have uniform practice throughout the Department.

CONTROL OF PAYROLLS – BRANCHES

- Branch financial officers should be charged with functional responsibility for establishing and maintaining adequate controls over pay preparation, cheque distribution and the accounting for payroll charges.

Agreed. A study will be undertaken to determine the division of responsibility between the Personnel Branch and the Comptroller's Branch with regard to functional responsibilities in the payroll function.

CONTROL OF RECEIPTS

- Cash audit procedures should include a regular comparison of the mail clerks' cash receipts records to those maintained by the cashier, in order to improve internal control. These procedures should be documented.

The mail clerks' cash receipts records are now compared with those maintained by the cashier on a daily basis. A formal procedure will be drawn up.

CANADA PENSION PLAN

- Canada Pension Plan interest income should be deposited on the due date in order to maximize the return on investment and generally improve the cash flow of the Fund.

This problem was identified, analysed and action taken to resolve it before the above recommendation was known.

**CONTROL OF CHEQUE ISSUE –
RECEIVER GENERAL**

- Internal controls surrounding cheque signing and the control of blank cheques should be strengthened in some service offices to reduce the possibility of funds being misappropriated.
- The responsibility for exercising internal controls over the payment of suppliers' invoices should be clarified so that there is no misunderstanding over the extent to which pre-audit is performed by departments or agencies and that which is conducted within local service offices of the Department of Supply and Services.
- An organizational unit within the Operational Services sector should be made responsible for ensuring that internal control procedures are uniformly applied at all local service offices in the Department of Supply and Services.

As pointed out in the report, very detailed procedures have been developed and issued in relation to cheque signing and control of blank cheques. Internal auditors will be instructed to pay particular attention to this area.

The Payments Services Branch has started to formalize agreements with each department concerned.

Regular audits are performed by Management Audit Branch and Audit Services Bureau. This independent review is the best method to ensure uniformity among the services offices.

However, steps have been taken to increase the emphasis on security matters. Security officers are being designated in each branch and services office. Training courses will be held in the fall and continuing inspection of security matters will be introduced.

**CONTROL OF PAYROLLS – CENTRAL
PAY**

- A system of document control should be established in the Pay Processing section of the Compensation Services branch to ensure the integrity of input to the central pay master files.

We intend to set up a control system immediately.

**DATA PROCESSING INPUT/OUTPUT
CONTROLS**

- Uniform control standards for computerized systems should be established for both the central and regional computer facilities, covering the data handling process from the source documents to the output product. Such standards should delineate procedures for the user, design criteria for the systems developer and operating practices for computer operations and data control groups.

We certainly agree that entries into the system should be more controlled and this would lead to better quality outputs. We also concur that moving editing back closer to the user would speed up entry of valid transactions, but this cannot be completely accomplished by the present system design — the final editing can only be done when the transaction is tested against the central master file.

Several projects are under way at the present time examining different methods of data input. No one system will satisfy the needs of all departments. The objective of our development is to collect and control the input data as close to the source as possible and thus eliminate costly data input handling.

DOCUMENTATION

- Continued emphasis should be placed on bringing the level of documentation up to minimum standards for users and operations personnel.

We agree with the analysis and recommendation. Work is continuously being done on this question as resources are available and systems are being modified, but to do it quickly would require an additional expenditure of several hundred thousand dollars. In view of the limited resource situation, the more sensitive items are being redocumented as a first priority.

JOB ACCOUNTING AND BILLING

- Consideration should be given to adopting a uniform policy with respect to billing client departments for computer systems development, in order to obviate the tendency for departments to request minor changes to the financial reporting systems, without due regard for the costs thereof.

This recommendation is consistent with the policies of the Financial Service Wide Application Centre to charge for financial reporting services. Recent improvements to the Financial Reporting System will more readily accommodate minor financial system changes. Further work will be carried out to measure utilization by client to effect cost recovery for financial systems. The computer system accounting routine is being improved to charge clients on a more equitable basis.

CONTROL OF INVENTORIES

- Steps should be taken to introduce inventory controls over major consumable supplies in order to establish accountability, with respect to physical quantities on hand.

Inventory suspense accounts and the release of consumable supplies on reported usage has now been introduced. Additional steps will be taken to set out the procedures for the reporting and accountability of physical quantities on hand.

COMPUTER EQUIPMENT UTILIZATION

- Utilization standards should be developed and modifications should be made to existing programs so that more meaningful utilization statistics can be generated with respect to computer equipment.

The computer utilization statistics now available are adequate for computer operations management purposes. It is agreed that statistics which are more useful for general management purposes should be produced regularly. Planning for production of such statistics is currently under way. A contract with the computer manufacturer has been signed for a series of training courses to improve the efficiency of operators and managers.

INTERNAL AUDIT

- Financial audit coverage should be thoroughly reviewed to ensure that all significant areas are subject to audit and that the audits are performed with sufficient frequency.
- The Management Audit Branch should carry out regular reviews of Audit Services Bureau audit programs and working papers to ascertain that the audit coverage provided meets the agreed standards.

AUDIT COMMITTEE

- An audit committee should be established to ensure that adequate scope and coverage is considered with respect to internal financial audit.

MAIN ESTIMATES AND BUDGETS

- Budgets should be adjusted promptly to reflect changes authorized by sector Management Committees in order to make subsequent comparisons with actual expenditures more meaningful.
- Regular analyses of the differences between budgeted and actual expenditures should be prepared for all levels of management, based on performance measurement criteria which are available or are in the course of being implemented within the services sectors.

FINANCIAL REPORTING

- The Operational Services sector should proceed with its plans to introduce INFORM, a cost-based product management reporting system designed to meet the information requirements of all levels of management.
- A study should be carried out to determine the feasibility of incorporating the supplementary information systems existing in the Management Services sector into the Financial Reporting Services system.
- Continued efforts should be made to improve the month-end accrual procedures so that reports are more useful to responsibility centre managers.

The financial audit and all other areas of audit coverage are being reviewed to ensure sufficient scope, coverage and frequency.

A regular review of Audit Services Bureau audit programs and working papers will be instituted to ascertain that the audit coverage provided meets with agreed standards.

The Senior Management Committee will assume the role normally attributed to an Audit Committee.

Copies of minutes recorded will be forwarded to the Financial Advisor immediately following the decision by management. Existing budget amendment procedures are well documented and monthly financial management reports include budget adjustments.

A procedure is being prepared to set out guidelines for variance reporting for all levels of management. A formalized reporting format will be developed and variances reported to successively higher levels of management.

Introduction of Inform system is proceeding apace. Product cost reports are now being produced. Report specifications for processing of overhead and EDP rate structures are being introduced. Initial product reports will be disseminated to all levels of management.

Agree that a study should be undertaken although some integration of systems is already in place within Management Services Sector.

New accrual procedures have been prepared and disseminated for 1975-76. Briefings and monitoring of results are taking place to improve reliability and usefulness of information.

OBSERVATIONS AND RECOMMENDATIONS

- Personnel employees responsible for processing payroll input data should be made aware of the impact that delays in processing employee transfer data have on the usefulness of financial reports and every effort should be made to improve the priority of recording these transactions.
- Procedures should be established to ensure that recipients of Financial Reporting Services reports review them and identify errors, omissions and inaccuracies in the data provided so that timely corrections may be made.
- Consideration should be given to distributing the Financial Reporting Services reports directly from the data centre to the responsibility centre managers to improve their timeliness.

DEPARTMENTAL COMMENTS

Agreed. A joint team of personnel and financial people will be established to set standards and monitoring processes to improve the timing of payroll input data.

Guidelines for all management levels setting out reconciliation procedures for budgetary and expenditure data are being prepared. Omissions, errors and inaccuracies will be highlighted.

We agree and negotiations are being carried out with our Financial Reporting Services Division of the Government of Canada Accounting Branch for direct distribution of statements to all Responsibility Centres.

DEPARTMENT OF SUPPLY AND SERVICES

SUPPLY PROGRAM – SUPPLY REVOLVING FUND

Observations and Recommendations as at June 1975.

Departmental Comments as at August 1975.

OBSERVATIONS AND RECOMMENDATIONS

ORGANIZATION OF THE FINANCE/ ACCOUNTING FUNCTION

- The Comptroller's role should be defined to ensure that he has ultimate authority and responsibility for approval of financial accounting systems and functions. This applies whether the reporting relationship of financial managers at all levels in Supply Administration is defined to be in the nature of functional authority or of direct line authority to him.
- In the course of our examination, some instances of duplication of accounting functions were noted.

The extent of and the reasons for duplication of accounting functions should be determined and duplication be eliminated.

- Responsibility for accumulation of information for operating forecasts and rate review submissions should be assigned to the Comptroller's Branch. The Comptroller should then make recommendations to the Management Committee on rates required and on adjustments to operating budgets after reviewing financial plans with the Supply Planning Sector to ensure that they conform to longer-term objectives and plans of Supply Administration.

DEPARTMENTAL COMMENTS

Agreed. The Department is currently reviewing the findings of consultants who have completed an organizational review of the Comptroller's Branch. As a second phase of this study, the extent and details of the Comptroller's Functional authority within the Department are to be clearly defined.

The Department will determine the extent of any duplication of accounting functions and eliminate it. The reviews of financial functions and systems now under way will contribute to achieving this objective.

These decisions are considered to be the responsibility of departmental management. Responsibility for the accumulation of financial information for operating forecasts and rate review submissions rests with the FMAs in each of the ADM Services. Recommendations regarding Corporate Policy based on this information is the responsibility of the Supply Planning Sector and therefore there is no apparent reason to change our present system.

OBSERVATIONS AND RECOMMENDATIONS

- Supply Administration should adopt a comprehensive standard of responsibilities for each group involved with its computerized systems, allocating responsibility and authority to specific groups for identified functions during the process of development of systems and throughout their continuing operation.

DELEGATION OF AUTHORITY

- Forms used to delegate financial authority should be completed as soon as possible and the section of the Administration Manual pertaining to signing authorities should be updated.
- Services Sectors' payment offices should be advised immediately of current approved payment authorities under Section 26.
- A system for maintaining specimen signature cards on a current basis should be implemented.
- The current delegation inadvertently restricts authority for certification of receipts of goods on inventory acquisition and replenishment.

Authority with respect to certification of goods received into Stocked Item Supply should be delegated to positions where such authority can be meaningfully exercised.

- Section 27 authority (except for Stocked Item Supply purchases) should be delegated to the operating branches of Supply Administration and the Comptroller's Branch should be responsible for reviewing these approvals and for certification of payment authority under Section 26 of the Financial Administration Act.

DEPARTMENTAL COMMENTS

On June 26, 1975, the DM (Supply) Management Committee approved the Supply Administration Systems Action Plan which details the comprehensive standard of responsibilities for systems. The Systems Action Plan includes identification and documentation of existing systems showing responsibilities for inputs, processing, quality assurance and outputs; the development of procedures to ensure smooth operations; the promulgation of procedures for Systems Development and the identification of responsibility for the assigning of priorities; and the assignment of a Systems Manager from among the users, the prime user or Office of Primary Interest, who has control over authorized changes.

Agreed. The forms will be completed shortly and the updating of the Administration Manual is almost finalized.

Agreed. This is in process of completion.

Agreed. The system has been designed and is in the final stages of implementation.

Agreed. Steps are being taken to correct the anomalies by expanding the delegated authority in the Stocked Item Supply System.

Agreed. Signing authority for Section 27 will be delegated to those responsible to verify that the work has been performed and/or the supply of goods or the rendering of services has been performed.

**CENTRALIZED PAYMENT PROCESS
(DIRECT SHIPMENTS)**

- For both commercial printing services and other direct shipments of the Supply Program, an independent study should be undertaken to determine whether it would be more economical and practical to give the functional responsibility for the verification and payment of suppliers' invoices to the customer departments and agencies.

This study should take into account the verification and payment procedures which are carried out on those accounts by each customer department.

- If conclusions resulting from the study recommended above are that the existing centralized payment process should be continued, then a standard form recognizing Section 27 authority with respect to receipt of goods should be developed for use by all customer departments both in their own verification and payment procedures and as advice to Supply Program personnel that goods have been received. Primary responsibility for the internal control processes relating to use of this standard form should rest with customer departments.
- Instructions dated March 21, 1975, from the Comptroller's Branch permitting payment of printing services' suppliers' invoices based on a signed delivery slip accompanying the supplier's invoice should be rescinded immediately.

Agreed. An independent review will be made to evaluate both situations.

Agreed.

This matter will be reviewed for appropriate action.

**EXPENDITURE CONTROLS – GENERAL
ACCOUNTING DIVISION**

- The present system for recording commitments of the Supply Revolving Fund branch operating costs should be discontinued.
- Responsibilities between line branches and the General Accounting Division with respect to the verification of invoices and travel claims, maintenance of supporting records, preparation of cheque requisitions and certification thereof should be clearly established by the Comptroller.

Agreed. Now discontinued.

Agreed.

OBSERVATIONS AND RECOMMENDATIONS

- The records which are kept by General Accounting Division personnel of errors observed in the pre-audit function should be reviewed periodically by that Division Chief and reported to the Comptroller in order to ensure that recurring errors are identified and to assess the effectiveness of the verification process.
- Transmission of cheques to payees through departmental officers should be restricted to those approved by the Deputy Minister as recommended by the Treasury Board. The Comptroller should establish appropriate controls on the handling of these cheques.

EXPENDITURE CONTROLS – FINANCIAL SERVICES DIVISION

- The verification of receipts of goods within the computerized Stocked Item Supply System is achieved by the automatic matching of receipt voucher data with relevant invoice data.

In order that the clerical staff exercising Section 27 authority may place reliance on this automatic verification process, control should be exercised over the signatures on receipt vouchers input to the system.

- There appears to be a lack of understanding of responsibilities related to Section 26 certification of accounts for inventory acquisition and replenishment and for direct shipment and traffic management services due to the fact that recoveries for such accounts are made from customer departments and will be subject to verification at that point.

The responsibilities of the financial officers exercising payment authority under Section 26 should be clearly established and all supporting documents should be available to them prior to exercising this authority.

- Procedures in place in each of the Traffic Management Services with respect to verification of accounts should be assessed by the Comptroller, following which consideration should be given to delegating Section 27 authority to the appropriate service, where it is in effect being exercised at the present time.
- A review should be undertaken of the post-audit routine followed by Central Travel Service in order to assess its adequacy and to establish guidelines and priorities where necessary.

DEPARTMENTAL COMMENTS

Agreed. The current arrangements will be changed to formal reporting on a monthly basis.

Agreed. This is being implemented in accordance with the Treasury Board requirements.

Agreed. Test checks will be made periodically and will be independently monitored by the Supply Audit Branch.

Agreed. A review of procedures will be made to provide adequate care in the exercising of payment authority under Section 26.

Agreed.

Agreed.

OBSERVATIONS AND RECOMMENDATIONS

- Prior to being forwarded to the Services Office, fully certified cheque requisitions should not be returned to clerical staff responsible for Section 27 certification and for maintenance of register of batch totals.

CONTROL OF PAYROLLS

- The person exercising Section 26 authority for changes to payroll must have adequate information in order to review documents meaningfully.

The Comptroller, through branch financial officers in co-operation with personnel officers, should establish and maintain adequate controls over the pay function.

CONTROL OF INVENTORIES

- Supply Administration should give priority to the establishment of optimum inventory levels and to clarifying the responsibility for management of these.
- The majority of inventory value of Stocked Item Supply should be counted and reconciled once each year to conform with the policy adopted by the Comptroller in February 1975. The Comptroller's Branch should be responsible for monitoring physical inventory procedures.

CONTROL OF ADVANCES

- Responsibility for maintenance of standing and travel advance records among the General Accounting Division, the Financial Services Division and a number of branches where records are being maintained should be clarified and should be assigned where this responsibility can be most meaningfully exercised.
- Procedures should be instituted to provide for the regular reconciliation of the subsidiary records of advance with fiscal account balances.

DEPARTMENTAL COMMENTS

Agreed. Now rectified.

The immediate problem has now been corrected and it is agreed that the Comptroller should participate in the establishing and maintaining of adequate controls over the pay function.

Optimum inventory levels have been established based on a combination of inventory carrying costs, order costs, anticipated usage and the necessary safety stocks required to meet service level objectives. The responsibility for the determination of these levels was established and implemented April 4, 1975.

It is agreed that the majority of the inventory value should be counted and reconciled annually and the Comptroller should advise on and approve stocktaking procedures. Supply Audit will monitor these stocktaking procedures.

In the recent triennial stocktaking at the Capital Region Supply Centre, the Supply Audit Branch observed on the stocktaking system and reconciliation procedures. The procedures utilized were found to be both effective and efficient.

Agreed.

Agreed. This will be reviewed and where weaknesses exist, monthly reconciliation procedures will be instituted.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

CAPITAL ASSETS (Articles in Use)

- Responsibilities of Material Management Division and the Comptroller's Branch with respect to capital asset records should be clearly established and duplication of records eliminated.
- Regular reconciliations should be effected between the subsidiary capital asset records and expenditures records with respect to capital assets acquired through departmental appropriation (Services and Administration) and those acquired through the Supply Revolving Fund. Reconciliation should also be effected with the Supply Revolving Fund general ledger (capital asset account).
- The following features should be incorporated, as a minimum, in the Capital Assets Control System which is being developed:
 - inventory listing by responsibility centres which should be forwarded to responsibility centres and maintained on a current basis,
 - procedures for prompt adjustment of records on disposal or transfer of assets, and
 - periodic physical verification.

An effective Capital Assets Inventory Control System has now been developed. The recommendations of the Auditor General's evaluation team will be reflected in the final report to management on this subject prior to implementation.

Same as above.

Same as above.

INTERNAL AUDIT

- Financial auditing within the Supply Program has in the past been limited and, in particular, has not included reviews and evaluations of computer-based systems, payroll procedures and practices and regional supply centre operations.

Financial audit coverage should be thoroughly reviewed to ensure that all significant areas are subject to audit and that the audits are performed with sufficient frequency.

Agreed. Now in effect.

OBSERVATIONS AND RECOMMENDATIONS

- Responsibility for assessment of audit requirements and control of audit work required on division of the Comptroller's Branch which serve both the Supply and Services programs should be assigned either to Services Management Audit Branch or to Supply Audit Branch.
- The audit group assigned responsibility for audit coverage of the Comptroller's Branch should also be responsible for audit of the Administration Program of the Department.
- The Supply Audit Branch with respect to any audits contracted with Audit Services Bureau should carry out regular reviews of relevant audit programs and working papers to ascertain that the audit coverage provided meets with the standards agreed upon.
- A departmental audit committee should be established as recommended in the Treasury Board Guide on Financial Administration.

REVENUE DEPENDENCY AND BUDGETARY CONTROL

- The breakdown objective for the Supply Revolving Fund should be extended to apply to sectors, product centres and other responsibility centres such as Regional Supply centres. It may be expected that refinements of the acquisition rate structure will result. Reasons for deviation from that break-even objective in the case of specific product centres or regional supply centres should be documented and approved by the Management Committee.

DEPARTMENTAL COMMENTS

The requirement for audit of the Comptroller's Branch and the Administration Program of the Department is directed by Treasury Board. The method used to accomplish this is a departmental responsibility. Audit of the Comptroller's Branch and other elements of the Central Support Sector is conducted jointly by the Supply Audit Branch of the Supply Administration and the Management Audit Branch of the Services Administration. When audits are contracted for they are conducted under the joint aegis of these Branches and the cost of such contracts are equally shared by the two Administrations. It is agreed that the two Deputy Ministers should act in concert to ensure that audits are carried out and recommendations followed.

Same as above.

Agreed. Now in effect.

The requirement for a departmental audit committee is not included as a directive in the Treasury Board Guide. This is accomplished by having the DM (Supply) Management Committee perform the function. All of the suggested responsibilities for assignment to a departmental audit committee are performed by the DM (Supply) Management Committee. The Director of the Supply Audit Branch is an ex-officio member of this committee.

Departmental Senior Management in principle favours the application of the break-even objective at the output service level and we are moving towards this objective. Careful consideration will be given in future to the possibility of applying this principle to Product and Regional Centres.

OBSERVATIONS AND RECOMMENDATIONS

- Estimates of man-year resources required and implicit in the rate review submission to the Treasury Board Secretariat should be included in that submission and should be approved by the Treasury Board at the same time as rates are established.
- Rules governing the rate review submission, appendices to that submission and other information requirements should be established by Treasury Board Secretariat and agreed to by Supply Administration management.
- Forecast man-year requirements by operating service of the Supply Revolving Fund and related to current year expenditure forecasts should be shown in the Main Estimates together with those expenditure forecasts.

DEPARTMENTAL COMMENTS

Customer departments receive notification of their budget levels for the new fiscal year by the Estimates Target letters which are sent out in early August. Under this arrangement it is not possible for the Supply Administration to determine its anticipated business volumes until September at the earliest whereas the Rate Review submission must be submitted by the end of July in order that customers can allow for our charges in their Main Estimates submissions. As a result the forecast of business volumes used for Rate Review purposes is very preliminary and is not sufficiently accurate for the determination of man-year levels. It is only after approval by Treasury Board of customer expenditure levels that the Supply Administration can realistically predict its man-year requirements based on approved levels of expenditures. This situation does not invalidate the proposed rate structure as variations in the approved levels of expenditure are compensated for by tighter controls on the Supply Administration budgetary levels to ensure a break-even position. The Supply Administration intends to provide visibility over the man-year and the salary costs for each of the output services at the time of Rate Review and is investigating the implications of combining the man-year submission with the rate submission.

The format and content of the Rate Submission has been established by agreement with the Treasury Board Secretariat. Discussions will be initiated with Treasury Board to develop formal and comprehensive guidelines and instructions.

The Main Estimates show the Treasury Board authorized man-years rather than the anticipated man-year requirements. The Supply Administration could include a forecast man-year requirement figure in Main Estimates for information purposes only.

This however will have to be negotiated with Treasury Board.

OBSERVATIONS AND RECOMMENDATIONS

- Rates charged in 1975-76 fiscal year should be revised during the year to conform with the break-even objectives.

- Management should agree with Treasury Board on whether or not rates for those services which are incurring losses should be revised or whether new arrangements with customer departments should be made to assure conformity to the break-even objectives of revenue dependency.
- Various proposed charges for 1975-76 fiscal year amounting to \$1.5 million for services to be provided by one organization to another within Supply Administration are not yet agreed.

The disposition of these charges should be resolved and decisions should be taken on the need for applicable resources.

DEPARTMENTAL COMMENTS

The break-even objective established for the Supply Revolving Fund is reviewed annually as part of the Rate Review. The rate review process is complex and absorbs much time and effort by Customer Departments, the Supply Administration and Treasury Board. To revise the rates during the year to account for surpluses or shortfalls in business volumes from forecast would be extremely difficult as in many instances shortfalls in one quarter are offset by unexpected surpluses at a later date in the fiscal year. These timing problems often stem from cash flow problems encountered by client departments and are corrected as the year progresses. In addition the customer departments would incur considerable confusion in the evaluation of Supply Administration charges if the rates were to be changed more than once a year. In recognition of price fluctuations which change the rate of return it has been our practice to authorize rate discounts in selected areas.

Management, in conjunction with Treasury Board, does take steps to reach conclusions with respect to the continuation of those output services which continue to operate at a loss. This is normally done during the annual Rate Review.

The disposition of charges initially totalling \$1.5 million included in the 1975-76 operational budgets has now been resolved to the point where they will have no major impact on the resource requirements of the Supply Administration.

OBSERVATIONS AND RECOMMENDATIONS

- A review should be made of the man-year resources in operating budgets to determine where control may be tightened since it is unlikely that all man-years in budgets could be utilized.

FINANCIAL REPORTING

- The methods and procedures for processing financial transactions and producing financial information on computer facilities should be simplified in order to improve timeliness of reporting and to improve ease of reconciliation.
- Preparation of the Product Line Statement should be discontinued unless ways can be found to improve its accuracy and usefulness to Science and Engineering Procurement Service and Corporate Management Service operating managers since other adequate statements are available for these services.
- Financial reports available from computer are distributed through the General Accounting Division and Financial Management Advisors before they are sent to operating managers.

These reports should be distributed directly to operating managers from the Financial Reporting Services Branch rather than being distributed through other groups.

- Administrative officers and financial groups at the branch level should be responsible for gathering accrual information necessary for preparation of month-end statements.
- A review should be performed to determine why delays occur in reporting freight and travel expenditures on financial statements and why some branches intend to maintain their own records of travel expenditures.

DEPARTMENTAL COMMENTS

Under the present system of revenue dependence, managers are required to control their expenditures in step with the actual revenue received in order to remain within their approved operating margins. This in turn controls the utilization of man-year resources since salary costs form the major portion of operating expenses. The Management Committee reviews the overall strength and man-year utilization levels on a monthly basis to ensure conformance with the Treasury Board approved levels. In addition, man-year and expenditure levels in operating budgets will be reviewed and adjusted by the Management Committee within the Treasury Board authorized level at the mid-point of the fiscal year, when business volumes and resource requirements have been more clearly defined.

Previous reviews have been made and timeliness improved. Further efforts will be made to simplify the system.

This statement has had some limited utility in certain areas but is essential in others because it provides information not otherwise available in management reports, and must therefore be continued. With refinements in coding, its accuracy and utilization has increased.

Agreed. Arrangements are being made to effect this automatic distribution where feasible.

Agreed to in principle. At present a problem exists in having all information correctly coded and made available on the due date. Efforts will be made to develop a system to overcome these difficulties.

Agreed.

OBSERVATIONS AND RECOMMENDATIONS

- Lengthy delays occur in the processing of payroll additions and changes. These delays affect the accuracy of financial statements produced.

A review should be performed to determine the causes of delays in processing transfers of staff.

- One basis for reporting acquisition fees on operating managers' financial statements should be adopted and agreed to in order to avoid time spent in discussions on this issue.

- Responsibility should be assigned and procedures should be developed to ensure monthly reconciliations of financial management reports to the Supply Revolving Fund general ledger.

- The nature and extent of duplication of preparation of financial reports and operation of accounting systems should be determined and that duplication should be eliminated.

- An annual comparison of inventory costs and replacement costs should be made for items of material value to assess the impact of purchase decisions on the financial position and operations of the Supply Revolving Fund. This represents a departure from the established practice of recording inventories at average cost. In accordance with generally accepted accounting principles and since the Supply Revolving Fund is a quasi-commercial organization, inventories should be recorded at the lower of cost and market (i.e. replacement cost) in the annual financial statements of the Fund.

- Inventories of oil shown on the Defence Production Revolving Fund balance sheet at March 31, 1975, should be written down to the prevailing market value at that time. This adjustment will necessitate a further charge to operations of approximately \$3.8 million.

DEPARTMENTAL COMMENTS

A review will be made by Financial and Personnel officers to reduce the time now required in handling the documents.

Due to normal month-end cut-offs and computer rejects, actual contract performance and estimated revenue produced by operating units versus actual billed revenue will always vary to some extent. If variances are significant, revenue accruals are made in senior management financial statements.

Agreed. This is in process of development and implementation.

A review of financial reports will be made to avoid duplication.

Agreed. When price reductions of substantial proportions occur for items of material value, inventory will be devalued accordingly.

The treatment of oil inventory was consistent with what has been departmental policy. It was shown on the balance sheet at cost and the difference between cost and market value was recorded in the Notes to the Financial Statements. In future, significant inventory devaluations will be made in current year statements.

DEPARTMENT OF TRANSPORT

Observations and Recommendations as at May 1975.

Departmental Comments as at August 1975.

Our study of the Department of Transport included:

The Headquarters Program

The Marine Transportation Program

The Air Transportation Program

The Surface Transportation Program

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

MINISTRY SYSTEM

The "Ministry System", introduced in 1970 to promote a "cohesive unified management system, devoted to overall planning, development, policy formulation, program co-ordination and evaluation", has led to uncertainty in the Department regarding the roles of the components of the "Ministry of Transport" and the delegation of authority to manage programs.

- The organizational structure should be formalized and communicated so that functional and line relationships between the components of the Department and "Ministry headquarters" are more clearly defined and communicated.
- The Transportation Council, or a like group, should assert a role as the overall policy and decision-making body in the Department.

When it was introduced the "Ministry System" was fully documented and communicated to all components of the system. In a large, dynamic organization such as Transport it is perhaps inevitable that problems of co-ordination and communication will appear from time to time. The Ministry is currently reviewing its organization, policies and procedures and the comments of the Auditor General are being given careful consideration.

A Management Committee has recently been established to facilitate the formulation of policies and to make recommendations to the Minister for decision.

FINANCIAL ORGANIZATION

The modal Administrations have developed independent financial systems. Proper functional relationships between the Assistant Deputy Minister Finance and the financial officers in the Administrations have not evolved with respect to:

OBSERVATIONS AND RECOMMENDATIONS

- (a) co-ordination of the design communication and maintenance of systems of financial administration,
- (b) guidance on organization, staffing and training of financial personnel,
- (c) review of performance evaluations of financial officers prepared by the managers to whom these financial officers report, and
- (d) review of budget priorities with regard to co-ordinating the total resources allocated to the Department.
- The functional relationships between the Assistant Deputy Minister Finance and senior financial officers within the Administrations should be strengthened, clarified and formally documented.
- The "Ministry headquarters" financial organization should assert a challenge role in the preparation of Program Forecasts and Estimates.

DELEGATION OF AUTHORITIES

Weaknesses were identified in the control of delegated financial authorities.

- The delegation of authorities should be revised in accordance with Treasury Board directives and guidelines giving specific attention to the following:
 - (a) formal delegation of authority to give commitment certificates under Section 25 of the Financial Administration Act,
 - (b) a restriction that spending and payment authorities not be exercised by the same officer with respect to a particular payment,
 - (c) communication of the delegation documents in a departmental financial manual, and

DEPARTMENTAL COMMENTS

The Department acknowledges an inadequacy in its documentation of the functional responsibilities and relationship between the financial officers of the Department that are implied in the day-to-day operations of its systems of financial administration. However, preparation of this documentation is well advanced and is expected to be completed by the end of the current calendar year.

A Programming and Evaluation group has been established within Ministry Headquarters which will concern itself with the continuing evaluation of Ministry Program plans and resource allocations and, as well, assert a challenge role in the preparation of Program Forecasts and Estimates.

The Department's delegation of authority document has been amended to incorporate the referenced recommendations and has been included in a Ministry Financial Manual. Maintenance of specimen signature cards in conformity with Treasury Board guidelines has been implemented.

OBSERVATIONS AND RECOMMENDATIONS

- (d) improvement of the system of establishing and maintaining specimen signature cards which should conform to Treasury Board requirements.
- The Department should request that the Department of Supply and Services co-ordinate its regional spending delegation with those of the Department in order to facilitate effective processing of regional expenditures.

Discussions which have taken place with the Department of Supply and Services regarding the need for compatibility of authority at the Regional level have resolved the problem to the satisfaction of the Department of Transport.

CONTROL OF CAPITAL CONSTRUCTION

The Marine Administration has encountered problems with respect to capital assets built by the Departments of Public Works and Supply and Services in the areas of interpretation of the Marine Administration's requirements and in the management of its financial resources.

The Marine Administration should form part of the planning teams dealing with capital assets being built for the Administration by the Departments of Public Works and Supply and Services.

Action is being taken to form project teams for all major projects; to include representatives of the Department of Transport as well as from the Departments of Public Works and Supply and Services.

DISTRIBUTION OF PAYROLL CHEQUES

In general, payroll cheques are distributed by personnel staff who are also responsible for payroll preparation.

The distribution of payroll cheques throughout the Department should be performed by Financial officers or others who have had no direct input into the payroll system.

Action is under way to implement pay distribution procedures as recommended.

USER CHARGES

Although the objectives of the various departmental programs are to provide services on a cost recovery basis to the maximum extent possible, this is difficult to achieve unless certain changes are made which would promote maximization and control of revenues.

- The Department should take appropriate action to provide for the seizure of debtors' assets and for the assessing of interest and penalties on overdue accounts receivable.

Authority to assess interest and penalties on overdue accounts receivable and to seize debtors' assets will require amendments to existing legislation. The Department is taking steps to introduce such measures where this is feasible and appropriate (i.e. in proposed amendments to the Aeronautics Act).

OBSERVATIONS AND RECOMMENDATIONS

- The Department should institute a system wherein all user charges in relation to the increasing cost of providing services and facilities will be reviewed annually. In particular, the Department should consider establishing a user charge for providing ice-breaker services to all vessels.
- The Department should adopt a system of billing for all revenues as services are provided.
- If the present system is maintained, vote-netting revenue should be made available to the manager who controls the assets which generate that revenue.

ACCOUNTS RECEIVABLE CONTROLS – AIR ADMINISTRATION

- The three separate systems used to record and control revenues at the Montreal International Airport (Dorval) do not contribute to the realization of good internal control, are inconsistent with the prescribed procedures of the Administration and are evidence of a lack of adequate functional supervision at the Airport.
- The Finance Branch of the Air Administration should conduct an in-depth study of the various systems of accounts receivable in effect throughout the Administration and should recommend changes where necessary in order to ensure compliance with Treasury Board guidelines and with the Financial Management Policy and Procedures Manual.
- The Dorval Airport Finance Branch should integrate the three systems of accounts receivable now in effect, establish a system of positive billing for all Airport revenue and incorporate charges and payments into a comprehensive accounts receivable system.

VOTE-NETTING OF REVENUE

The vote-netting practices of the Department do not provide an appropriate incentive to maximize revenues. They contribute to the problems of managing cash requirements during the year and they tend to weaken parliamentary control.

DEPARTMENTAL COMMENTS

The Department agrees that annual reviews of user charges in relation to cost of services and facilities are appropriate and is currently undertaking such a study.

The feasibility of the establishment of user charges for ice-breaking services will be given careful consideration in the context of the recently announced Government Transportation Policy.

The Department will endeavour to ensure that all revenue is billed as services are provided.

See Departmental comments re Vote-Netting of Revenue.

Action has been taken to ensure that the separate systems of accounts receivable, each covering a different category of revenue, are consistent with prescribed procedures and that adequate functional supervision is provided to Dorval Airport.

The Department will take measures to ensure that systems of accounts receivable in effect throughout the Air Administration are consistent with established principles of internal control and comply with Treasury Board guidelines.

A computerized billing and accounts receivable system is being evaluated in Quebec Region. Preliminary study indicates that positive billing and one integrated accounts receivable system can be implemented for all airports in the Region.

OBSERVATIONS AND RECOMMENDATIONS

- The Department's votes should be prepared on a gross basis with all its revenue being credited to revenue accounts in the Consolidated Revenue Fund rather than being segregated for vote-netting purposes unless:
 - (a) the current practice wherein the Administrations retain vote-netting revenue at headquarters is changed to permit the regions to spend their own revenues,
 - (b) user charge rates are allowed to increase materially so as to more closely reflect costs, and
 - (c) precise definitions are provided of what constitutes revenues available for vote-netting purposes.
- The Department should not include in its capital programs the cost of acquiring assets for the specific use of others.
- Recoveries of overhead by the Air Administration from the revolving fund should be limited solely to direct costs.

AIR TRANSPORTATION TAX

The allocation of the Air Transportation Tax, collected under authority of the Excise Tax Act, to the Department of Transport is effected through the wording of the Air Transportation Program's operations and maintenance vote. This allocation does not meet the criteria established by the Treasury Board permitting legislative adjustments in the Estimates. Further, the revenue arising from the tax is not separately displayed in the Department's Estimates.

DEPARTMENTAL COMMENTS

The concepts and principles of vote-netting have been established by the Treasury Board and departmental practices are generally consistent with that policy. It is the Department's view that observations relating to the feasibility of this policy should be referred to the Treasury Board for comment.

Since revenue policy is based mainly on a system of national rates, it is the Department's view that distribution of revenues to responsibility centre managers would not significantly enhance revenue initiatives. At the same time the retention of vote-netting revenue at headquarters facilitates cash management as well as providing greater flexibility of executive decision-making.

The Department does not include in its capital programs the cost of acquiring capital assets for the specific use of others except (as in the case of the Pilotage Authorities) where the asset is to be utilized by a Ministry component for the achievement of overall Ministry program objectives.

All costs of services provided by the Air Administration to the Airports Revolving Fund are considered properly chargeable to that Fund in accordance with paragraph 9 of Treasury Board Circular 1970-7.

OBSERVATIONS AND RECOMMENDATIONS

- The Department should consider an alternative method of obtaining the Air Transportation Tax in order to disclose fully that a particular tax is being made available for the specific use of the Department of Transport.
- The Department should reflect separately in its Estimates the revenue arising from the Air Transportation Tax.

AIRPORTS REVOLVING FUND

Certain major international airports of the Department have been financed through a revolving fund. Changing economic conditions and the escalating costs of airport construction and an inconsistent identification of assets, operations and revenues to be included in the fund have placed the fund in jeopardy as an appropriate method of financing these airports.

The Department should either wind up the revolving fund or make major amendments to ensure that it becomes a viable, self-sustained financial concern. The major amendments include the following:

1. Remove those costs and operations which are not viable and self-sustaining financial concerns such as the Vancouver access bridges and the Mirabel and Pickering Airports.
2. Revise the rates and fee structure for charges for airport facilities within the Airports Revolving Fund to reflect current costs and ensure that these rates and fees are not constrained by the establishment of national rates for other airports.
3. Produce management financial statements for the Airports Revolving Fund on a timely basis.

DEPARTMENTAL COMMENTS

The Department is examining with the Department of Finance the possible transfer of the legislative authority for the Air Transportation Tax from the Excise Tax Act to the Aeronautics Act.

Details of revenue arising from the Air Transportation Tax will in future be displayed in the budgetary portion of Estimates. There is currently no provision in the format of Estimates prescribed by Treasury Board for Revolving Funds to display individual items of revenue.

The Department is evaluating alternatives for the operation of the Airports Revolving Fund for the purpose of ensuring that it remains a viable, self-sustaining financial concern.

The project currently in process to develop a cost-recovery plan for the Air Administration will include a structure of fees and charges for facilities included in the Airports Revolving Fund.

The Department will endeavour to produce management financial reports for the Airports Revolving Fund on a more timely basis.

STORES WORKING CAPITAL ADVANCE

The Department operates a Stores Working Capital Advance (limit \$13.5 million) to fund operational stores for use in the Department's varied and widespread operations. Accounting for the stores held in the working capital advance is carried out through an electronic data processing system which does not provide the accounting information required for quantity and financial controls.

The Department should expedite the installation of an improved accounting system for the Stores Working Capital Advance.

An improved accounting system for the Stores Working Capital Advance has been developed which is to be implemented in all stores accounts by April 1, 1976.

MARITIME POLLUTION CLAIMS FUND

The Maritime Pollution Claims Fund was recently established to meet the costs of maritime pollution incidents not directly recoverable from the pollutor. This fund was established without a specific ceiling and has risen to \$27 million. The legislation does not provide the Department with the necessary authority to undertake some of the essential financial management control procedures necessary to administer the Fund properly.

- The Department should propose changes in the legislation to:
 - (a) establish a ceiling on the Fund, exclusive of interest earned,
 - (b) establish the right of the Crown to audit shippers' records, and
 - (c) clarify the definition of "oil" cargoes on which premiums are payable by shippers.

The Department is in process of seeking legislation which will establish the right of the Crown to audit shippers' records and empower the Governor in Council to determine which products are considered to be "oil" upon which premiums are payable by shippers. It is not intended to establish a ceiling on the Fund in view of proposed changes in the Fund which will give broader coverage on liability and allow easier access by claimants.

A significant oil spill similar in magnitude to the recent one in the Japanese Inland Sea (which cost over \$100 million in costs and claims) could prove the Fund to be quite inadequate at its present level.

OBSERVATIONS AND RECOMMENDATIONS

- The Department should complete, as soon as possible, its system for determining cumulative payments by shippers, validity of surety bonds and modification of the form on which shippers declare their products.
- The Department should consider charging the Fund with an annual amount equal to the direct costs involved in administering the fund.

DEPARTMENTAL FINANCIAL AUDIT AND REVIEW

The Financial Audit and Review Branch, included in the "Ministry headquarters" financial organization, is not adequately staffed to carry out effectively the full range of audit functions and reviews necessary in a department with many diversified and decentralized activities in the various modes of transportation.

The Financial Audit and Review Branch should:

1. complete its staffing requirements as soon as possible,
2. endeavour to have members of the internal audit staff join operational review teams on a project basis,
3. complete its audit manual as soon as possible, and
4. expand its range of audit coverage.

OPERATIONS REVIEW

The operations review function carried out by the Air Administration is the only such function carried out in the Department. There are certain weaknesses in the manner in which the Air Administration conducts and reports on its operations reviews.

DEPARTMENTAL COMMENTS

The system is now complete.

The question of whether the Fund should pay costs of administration is now being considered by an interdepartmental committee. Their recommendations will be given careful consideration whenever further amendments to the Fund's legislative base are sought.

The Financial Audit and Review Branch is making a concerted effort to complete its staffing requirements.

Should operational review be established on a departmental-wide basis, efforts will be made to ensure that financial audit expertise is employed.

The revised audit manual has been issued.

The objective of the Branch audit program is to review all functions of financial administration in the Department annually. It is planned to conduct audits on as frequent and timely a basis as possible.

OBSERVATIONS AND RECOMMENDATIONS

- The Air Administration should consider providing the operations review unit with full-time staff on a cyclical basis.
- Operations review guidelines should refer to the need for standards of materiality, accepted levels of operational performance, statements quantifying potential savings or cost increases arising from findings and a requirement that recommendations be included as an integral part of the reporting process.

ESTIMATES PRESENTATION

- The program description for the Marine Transportation Program was reduced from 17 activities in 1970-71 to the present 4 activities resulting in a significant reduction of that program's visibility to Parliament. As well, capital projects listed in the Air Program's Estimates are not appropriately informative.
- The Department should consider revising the activity structure under the Marine Program to disclose more adequately the activities actually carried out.
 - The listing of major capital projects in each year's annual Estimates should more precisely describe the facilities to be constructed or acquired.

CANADIAN COAST GUARD

The term "Canadian Coast Guard" came into use in 1962 but no legislation was passed by Parliament to give the Coast Guard any formal terms of reference, define its objectives or regularize its organizational structure. The Coast Guard is not reported in the Public Accounts, nor is its projected cost of operation identified in the Estimates presented to Parliament.

The Department should seek to formalize the operations of the Canadian Coast Guard, define its role and establish its objectives so that uniform standards of operations and reporting might be established.

DEPARTMENTAL COMMENTS

The Air Administration considers that the present system of using seconded personnel rather than full-time staff is preferable, in that this arrangement provides training and a broadening exposure for a significant number of individuals of a high level of competence in their own field, who continue to be involved in operating activities.

The main function of Operations Review in the Air Administration is considered to be problem identification. The established policies, standards and procedures of each functional area are used as a basis for reviewing operations and the managers of the operations under review are responsible for corrective action and follow-up.

The activity structure under the Marine Program is under study with a view to revision and refinement.

Every effort will be made to provide more informative and descriptive project titles for major capital projects listed in Estimates.

OBSERVATIONS AND RECOMMENDATIONS

Operations of the Coast Guard fleet should be developed as an activity of the Marine Administration and should be reported in the Estimates and the Public Accounts in order to display properly this significant departmental activity.

FINANCIAL REPORTING

Operational and financial officers presently carry out variance analysis wherein actual financial results are compared with budget information. However, responsibility centre managers have not generally discharged their ultimate responsibility in explaining variances and the corrective action taken where necessary.

Responsibility centre managers should play a greater role in the area of explaining budget variances and in instituting corrective action where necessary.

DEPARTMENTAL COMMENTS

The Marine Services has been re-named Canadian Coast Guard and what was formerly the Coast Guard is now the Coast Guard fleet. The fleet is a separate resource which supports the various Marine activities and as such, its costs are allocable to each activity which it supports. Consideration is being given to making the cost of fleet operations more visible in both the Estimates and Public Accounts.

The Department will take action to obtain greater participation by responsibility centre managers in explaining budget variances and instituting corrective action.

UNEMPLOYMENT INSURANCE COMMISSION

Observations and recommendations as at July 1975.

Commission's Comments as at July 1975.

OBSERVATIONS AND RECOMMENDATIONS

COMMISSION'S COMMENTS

ORGANIZATION OF THE FINANCE/ ACCOUNTING FUNCTION

- In April 1975, pursuant to organization changes in the Commission, the position of the Designated Financial Officer was given additional responsibilities.

The Commission should make every effort to ensure that the broad responsibilities given the Executive Director, Services do not detract from the effectiveness with which the financial function is now carried out within the Commission.

- The functional direction provided by senior financial officers should be clearly reflected in job descriptions so that changes in personnel do not cause changes in working relationships.

FINANCIAL CONTROL OF REVENUES AND EXPENDITURES

- Documentation of head office accounting and clerical procedures should be completed in detailed form and evaluated by senior financial officers to determine their effectiveness.
- Financial services clerks prepare reconciliations of various financial accounts such as the Commission's record of cash deposits to the Department of Supply and Services records. These reconciliations do not appear to be reviewed or approved by senior headquarters financial staff.

Reconciliation review procedures should be established to ensure that accounting reconciliations are reviewed by the appropriate level of senior financial officer and that evidence of this review is provided.

To provide for a greater degree of decentralization to the regions, the Commission, following an extensive organizational study, made a number of organization changes. One grouped a number of functions under the Executive Director, Services to combine the responsibilities for human and financial resources. The Commission feels this change will improve its effectiveness and efficiency.

The job descriptions will be amended to describe more clearly the functional direction now being provided.

This documentation is being prepared and is expected to be completed by December 31, 1975.

A formal approval procedure will be implemented.

OBSERVATIONS AND RECOMMENDATIONS

- The format of key reconciliations and a master list of reconciliations should be established and provided by senior financial officers for the use of financial services clerks.
- The Commission should ensure that it adheres to its policy of preparing monthly reconciliations of its cash balances to the Department of Supply and Services records.
- The Commission should prepare periodic reconciliations of its outstanding warrants balance to the figures supplied by the Department of Supply and Services.
- The headquarters financial staff should obtain and review the periodic aged analyses of outstanding warrants provided by the Department of Supply and Services.
- The memorandum control accounts for accounts receivable arising from benefit overpayments maintained in the regions are not incorporated in the general ledger and, for general ledger and financial statement purposes, overpayments are recorded on a cash basis only when they are collected.

Benefit overpayments and related transactions should be recorded in general ledger control accounts, sub-divided by region.

- The Benefit and Overpayment File and overpayments receivable computer files comprise subsidiary records for benefits paid and overpayments receivable respectively. Some types of transactions are not recorded in the subsidiary records but are recorded in the general ledger; others are subject to timing differences and some transactions are recorded on a single entry basis at the regional level.

The Commission's financial accounting practices should be modified to provide for recording during the year of all accounting transactions processed on Benefit and Overpayment Files and for establishment of month-end cut-off procedures.

- The benefits-paid account in the general ledger of the Commission should be reconciled monthly to the Benefit and Overpayment File.
- Control accounts should be maintained in the books of the Commission for employee advances and reconciled periodically to the subsidiary record.

COMMISSION'S COMMENTS

Reconciliation procedures will be formalized.

Control procedures will be introduced to ensure adherence to the policy.

The present annual reconciliation will be supplemented by quarterly reconciliations of the outstanding warrants.

The Systems Group and Benefit Control Officers of the Commission investigate outstanding warrants. This will be supplemented by a regular review by the financial staff.

A combined systems and financial review of this recommendation will be undertaken.

A combined systems and financial review of this recommendation will be undertaken.

Implementation of this recommendation is dependent on the results of the review described above.

Procedures will be implemented to ensure adherence to the policy on maintaining control accounts for employee advances.

OBSERVATIONS AND RECOMMENDATIONS

- The Commission should ensure that senior regional pay centre managers are monitoring the reconciliation of key computer printouts.
- The Commission's financial manual should include employee payroll procedures applicable on a Commission-wide basis but also adaptable to regional needs.

FINANCIAL REPORTING

- The Commission should include prior period adjustments that are not material in the Statement of Revenue and Expenditure. If the current policy concerning prior period adjustments is maintained the comparative prior period's statement should be restated to reflect the adjustments.
- Comparative figures should be provided for the Statement of Deficit.
- The notes to the financial statements should disclose details of the changes in the accounts receivable due to overpayment of benefits and details of the calculation of the amount recoverable from Canada.

COMMISSION'S COMMENTS

Formal approval procedures will be implemented.

These procedures will be incorporated into the Commission's financial manual.

This subject is part of a review of accounting practices to be undertaken jointly by representatives of the Auditor General's Office and the Commission.

As above.

As above.

MINISTRY OF STATE FOR URBAN AFFAIRS

Observations and Recommendations as at December 19, 1974.

Departmental Comments as at June 30, 1975.

The study covered only the Ministry of State for Urban Affairs, Votes 1 and 5. Central Mortgage and Housing Corporation and National Capital Commission are separate organizations which were not included in the study.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

ORGANIZATION OF THE FINANCE/ ACCOUNTING FUNCTION

With the present structure, size and operational nature of the Ministry it is evident that the use of a centralized financial function is a practicable arrangement and is conducive to ensuring effective and efficient management and control of the financial aspects of the Ministry's operations.

The effectiveness of this organizational arrangement, however, has been reduced as a result of a lack of a collective and coordinated effort by the various members of the Ministry with respect to financial management and control. The Wings and Administrative sections appear to be isolated from specific responsibilities and requirements without due consideration and involvement of other sections. Each unit is left on its own to devise and develop what it considers necessary in the way of financial management and control systems. This could lead to inconsistencies and weakness in internal control as well as unnecessary duplication of effort.

Each Wing of the Ministry should designate an individual at the managerial level, with appropriate qualifications, to be the financial representative of that Wing.

- A committee comprising the Director, Finance, Personnel and Administration, his three chief officers and the financial representatives of the two Wings should be formed to deal with financial and other administrative matters affecting the operation of the Wings.

Because the financial services are centralized, frequent contacts are made with the Wings to establish their requirements. Advice is given to them on all aspects of financial management and control.

Agreed. This is now done on an ad hoc basis, and will be formalized.

Agreed. This committee cannot be restricted to the two Wings as the other independent branches must also be accommodated.

POSITION DESCRIPTIONS

- Once the present descriptions of staff outside the Financial Services Section who have financial responsibilities have been updated, they should be reviewed on a regular basis, with greater emphasis being placed on the financial aspects of the position.

Agreed. This will be taken into account during the review of classification of positions in the various branches, which will be undertaken during the next twelve months.

**COMMUNICATION OF FINANCIAL
REQUIREMENTS**

- The present system depends on a substantial amount of information and knowledge being retained by individuals which is not being appropriately documented or circulated. This situation does not ensure that staff is fully aware of or understands its responsibilities, that approved procedures are being followed consistently, that appropriate consideration is given to financial requirements, and that planning is undertaken in a systematic and organized fashion.

The Chief of Finance should ensure that a comprehensive financial administration manual is completed and circulated to appropriate personnel throughout the Ministry.

Agreed. The manual is substantially completed in draft form and will be issued as soon as possible.

An increased use of formal memoranda with appropriate routing, signature and follow-up procedures should be implemented.

This proposal will be studied.

**ASSIGNMENT OF FINANCIAL
AUTHORITIES UNDER THE FINANCIAL
ADMINISTRATION ACT**

- Accounting documents utilized within the Ministry should be redesigned to provide space to reflect the specific section of the Financial Administration Act under which approval is given.

The Department of Supply and Services is responsible for designing cheque requisitions. Approval for payment on an invoice is always in accordance with Section 27 of the Financial Administration Act. The use of a rubber stamp for this purpose does not appear to be contrary to Treasury Board guidelines.

The Director, Finance, Personnel and Administration should ensure that the signature cards are up to date within the Ministry and that the Department of Supply and Services is advised of any changes.

This has been done.

CONTROL OF SOURCE DOCUMENTS

- Control of source documents for cheque requisitions is provided only after the document has been approved under Section 27 of the Financial Administration Act. This could lead to invoices being mislaid, delaying payment to suppliers and distorting financial reports.

Source documents from suppliers should be controlled prior to the cheque requisitioning process by a blotter control system.

Agreed. This is a desirable system to be adopted when manpower is available.

SEGREGATION OF DUTIES

- Instances were noted where the combination of duties performed by an employee could lead to error or fraud not being detected because his work is not automatically checked by another employee.

The Director, Finance, Personnel and Administration should ensure that there is an adequate division of duties from an internal control point of view with respect to all departmental positions.

In setting up systems, duties were divided as much as practical between available staff in keeping with sound internal control principles. However, the existing weaknesses will be corrected.

**CONTROLS OVER ADVANCES AND
ACCOUNTS RECEIVABLE**

- Problems, although not occurring frequently exist in accounts receivable, stemming mainly from the lack of a co-ordinated monitoring procedure by the Financial Services and Personnel Sections on salary advances and personal service contracts.

The Chief of Finance should ensure that contracts and agreements are reviewed for possible expenditure recovery.

Problems of communication between Finance and Personnel Divisions result from the separation of these functions and will be overcome with the move to our new headquarters in September 1975.

All certified invoices are checked with contracts by the Finance Division. Payments are made only if they are in accordance with the terms of these contracts. The incident noted by the study team was isolated and not representative of the system.

INTERNAL AUDIT

- The Audit Services Bureau should be employed to conduct an annual internal audit of the Ministry. The Audit Services Bureau, with the assistance of the Director, Finance, Personnel and Administration and the Chief of Finance should define the scope of its examination but report its findings and recommendations to the Secretary of the Ministry for consideration, discussion and resolution.

Further consideration will be given to this proposal.

WORK PROGRAM

- The present program forecasts do not accurately indicate the future allocation and utilization of resources. Although Financial Services staff assist the managers in preparing their projections, the managers lack the knowledge, support staff, government guides and publications, departmental instructions or detailed historical data needed to develop meaningful long-term plans in monetary terms. In addition, the Ministry lacks formalized procedure for evaluating projects and for realigning priorities and redirecting resources.
- Recognizing this, early in 1974, the Ministry began to set priorities for major projects, both under way and proposed, and identified the staff resources and completion dates associated with each as the first phase of documenting its long-term work program plans and priorities.
- The completion, documentation and implementation of the Ministry's Work Program should be given highest priority.

This proposal needs further study. The monitoring of project effectiveness may be a desirable goal but in fact would be extremely difficult to measure in terms of most of the projects carried out by this Ministry.

Agreed. This work is proceeding.

BUDGETARY CONTROL

- The present system accounts for expenditures at the main activity level with no cost information being developed for project or sub-activity levels. To provide sufficiently detailed data for effective budgetary control, an expansion of the system is necessary.
- The Chief of Finance should develop, document and implement a cost system capable of capturing financial data at the project or sub-activity level.
- All responsibility centre managers should become directly involved in the determination of their budgets. They should also be given the financial data needed to permit verification of financial reports and preparation of detailed variance and analytical reports.

Project reporting has been recommended in the past. However, basic to this reporting is the introduction of a system of time reporting for the staff involved which has not yet proved acceptable. Further progress will require the assistance of the managers concerned. This is a desirable aim which will be proceeded with as soon as manpower constraints permit.

Most responsibility centre managers are already directly involved in the determination of their budgets, within Government and departmental constraints. Managers are already given financial data needed to permit verification of financial reports. Additional verification by managers is frequently limited by manpower constraints.

OBSERVATIONS AND RECOMMENDATIONS

- Explanation of variances should be prepared on a regular and timely basis by all responsibility centre managers and reviewed by the Chief of Finance in conjunction with his own financial report review.

TRANSACTION CODING

- The centralized coding process fails to promote financial awareness within non-financial sections of the Ministry and creates unnecessary dependency upon the Financial Services Section. Non-Financial sections should acquire additional financial knowledge and accept additional responsibilities in the financial area. The coding of documents should be delegated to the various cost and responsibility centres throughout the Ministry.
- Staff of the various responsibility centres should be required to review monthly the detailed transaction listing applicable to their area of responsibility.

MAIN ESTIMATES

- Compilation and reconciliation of Program Forecasts and Main Estimates should be documented so as to provide a clearer picture than at present of how final figures were determined in each case.

DEPARTMENT OF SUPPLY AND SERVICES REPORTING SYSTEM

- The Financial Services Section of the Ministry should ensure that financial transactions are reflected as promptly as possible in the Ministry's financial records, so as to improve the accuracy of the financial data provided to responsibility centre managers each month.
- The Chief of Finance should develop and document appropriate procedures for timely month-end routines for his staff with respect to input-output agreement, reconciliation of subsidiary records, reconciliation of the Department of Supply and Services reports to one another, review and corrections of invalid amounts and review of transaction codings for agreement with actual known events.
- A liaison officer should be designated by the Ministry to deal with his or her counterpart in the Department of Supply and Services as a means of improving the Department's services.

DEPARTMENTAL COMMENTS

Noted. See above.

Agreed. This was the intention of the coding manual and steps will be taken to train support staff in each responsibility centre in its use.

This is again a matter of the availability of staff.

Agreed, this will be implemented.

Agreed. Steps are being taken to improve the processing of financial transactions.

Agreed. This will be done.

The Chief of Financial Services has always been the liaison officer with the Department of Supply and Services and every effort has been made and will be continued to obtain an improvement to the service provided by that Department.

DEPARTMENT OF VETERANS AFFAIRS

Observations and Recommendations as at December 1974.

Departmental Comments as at March 1975.

The study did not include the operating expenditure of the following votes:

Vote 5: War Veterans Allowance Board

Vote 25: Pension Review Board

Vote 30: Canadian Pension Commission

Vote 40: Bureau of Pension Advocates

However, in the following votes, the study did include the procedures leading to payment once entitlement had been established:

Vote 10: WVAB grants and contributions

Vote 20: Welfare Services grants and contributions

Vote 35: CPC grants and contributions.

OBSERVATIONS AND RECOMMENDATIONS

DEPARTMENTAL COMMENTS

ORGANIZATION

- The responsibilities of the Departmental Financial Management Advisor should be expanded to include a stronger functional role in terms of the financial systems and controls and the recruiting, development and assessment of financial officers who are supporting program management.

A stronger functional guidance role will be assumed without delay by the Departmental Financial Management Advisor in such a way so as not to disturb essential program managerial responsibility.

STAFFING IN FINANCIAL AREA

- While current financial staff resources are adequate, the Department does not systematically review its future needs so that adequate lead times can be established to develop or obtain the necessary increases in number or quality of financial officers.

Periodically, department-wide comparative studies of financial staff requirements and resources should be undertaken.

- A comprehensive program of career guidance and professional development for financial staff should be instituted.
- Position descriptions are not up to date in some instances and are related more toward job classification than toward financial management responsibilities.

This will be undertaken as part of the recently introduced manager-development and succession plan.

A review of the departmental training and development plan for officers with financial responsibilities will be carried out.

OBSERVATIONS AND RECOMMENDATIONS

Position descriptions for officers with financial responsibilities should be reviewed and re-drafted where necessary to emphasize financial management responsibilities and tasks.

QUALITY OF COMMUNICATION OF FINANCIAL REQUIREMENTS

- The comprehensive departmental financial manual should be completed.

EXPENDITURE CONTROL POLICIES AND PROCEDURES

- The Department should propose to the agencies paying disability pensions and veterans allowances that they: determine in advance the total amount of the monthly payments; establish controls to ensure that the amounts paid match the predetermined figure; implement and carry out a system of cyclical post-audit checks.
- District and regional offices should fully document their systems of internal control.
- The payroll function is decentralized to districts, regions, etc., but no centrally established financial control procedures exist. Payroll changes are fed into the Department of Supply and Services by personnel staff at the districts following managerial approval and cheques are returned to district financial officers for distribution.

The Departmental Financial Management Adviser should review internal controls over payroll to ensure their adequacy.

CONTROL OF REVENUES INCLUDING ACCOUNTS RECEIVABLE

- In the Treatment Services program regular reports from hospitals and districts, giving details of the status of accounts receivable, should be sent to the program head office for review and follow-up action.
- Significant under-recoveries resulting from billing rates in the Treatment Services program should be highlighted in internal financial reporting.

INVENTORIES

- There are no procedures to ensure that all purchases of equipment are recorded in the inventory records.

DEPARTMENTAL COMMENTS

Position descriptions are subject to well-established disciplines for content and presentation. Corrective measures could best be introduced through further study and analysis on a government-wide basis.

The manual will be completed in the near future.

The processing of these payments is being transferred to the agencies and such control will be part of the new systems configuration.

The systems of internal control in the districts and regions will be documented.

The need to review internal controls over payroll is accepted and a review has been commenced.

Regular status reports will be sent to the program head office for monitoring purposes.

Cost under-recoveries will be highlighted in internal reports in future.

OBSERVATIONS AND RECOMMENDATIONS

The cost of all items recorded as purchases in the equipment inventory quantity records should be reconciled to the annual expenditure for equipment.

TRUST FUNDS

- Internal control over unpaid treatment allowances is unsatisfactory in many instances.

Control accounts should be instituted for memo treatment allowance liabilities.

Treatment allowance expenditure listings should be subjected to scrutiny and there should be a regular post-audit of disbursements on a sample basis.

INTERNAL AUDIT

- The internal audit function is frequently understaffed as it is difficult to obtain the necessary personnel due principally to the extensive travel required and the lack of career planning for internal auditors.

A system of rotation through the internal audit function should be introduced as a means of staffing the function with individuals with upward mobility potential.

- The internal audit function does not fully cover the program head offices, the Administration program and the departmental payroll records.

Departmental expenditures not currently subject to internal audit should be included in regular audit coverage.

CLASSIFICATION OF ACCOUNTS

- Activities and sub-activities in the Administration and Treatment Services programs should be redefined and submitted to Treasury Board for approval.

PROGRAM FORECASTS

- Program Forecasts should show the costs, savings, timing and other effects of potential hospital transfers based on the latest information available.

DEPARTMENTAL COMMENTS

Corrective action will be taken.

Corrective action will be taken.

Corrective action will be taken.

With the implementation of the manager-development and succession plan, upwardly mobile individuals in other classifications as well as FI can be identified and groomed for rotation through internal audit. However, there is a growing need to examine, on a government-wide basis, possible incentives for financial auditors who are required to travel extensively.

The areas identified will receive priority attention in future audit planning.

This is accepted with the proviso that any decision to sub-divide the Administration program would be dependent on general government practice.

Due to the unpredictability of the timing of transfers and the necessity to refrain from adopting premature negotiation stances, formal disclosure of transfer details is not desirable.

MAIN ESTIMATES

- Formal procedures should be established for a serious challenge, by senior departmental management, of all major components of program Estimates.
- A formal budgetary planning function should be established within the Administration program.

This has been accepted and a systematic challenge by senior management commenced with the recent Program Forecasts.

A formal budgetary planning function has now been initiated within the Administration program.

**BUDGETARY CONTROL AND CASH
FORECASTING**

- Operating budgets should be revised when significant changes in circumstances occur.
- Non-controllable costs are included in global operating budgets for responsibility centres which may result in undue pressure or lack thereof on operating budgets due to matters outside the line manager's control.

Non-controllable costs should be isolated in separate internal allotments within the operating budgets.

- An output-based financial management reporting system, designed to highlight deviations from the norm, should be implemented.
- The use of output performance measurement techniques should be instituted in the documentation processing areas of the Department.

This is accepted.

The recommendation is accepted in principle and each program will study this proposal for its application in all appropriate circumstances.

This recommendation is fully endorsed and major studies intended to culminate in such a system are underway.

This is accepted in principle and is considered to be a potentially productive one for OPMS application.

FINANCIAL REPORTING

- The division of data processing responsibilities between the Department of Supply and Services and the Department should be properly defined and documented.
- The departmental hospitals utilize accounting and reporting systems which are different from those used in provincial hospitals. This does not allow comparison with similar provincial hospitals and may cause transitional problems when the hospitals are turned over to the provinces.

The Department should assess the practicability and benefits of using provincial accounting and reporting systems in its hospitals.

This recommendation is accepted and work is underway to define and document data processing responsibilities.

While there are still some differences between federal systems and those in provincial hospitals, they have not presented problems in current operations or in reaching transfer agreements and the recommendation is not accepted.



Supplément
au Rapport annuel de
l'Auditeur général du Canada

pour l'année financière terminée
le 31 mars 1975



Supplément
au Rapport annuel de
l'Auditeur général du Canada

pour l'année financière terminée
le 31 mars 1975

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AUDITOR GENERAL OF CANADA

AUDITEUR GÉNÉRAL DU CANADA

OTTAWA, le 28 novembre 1975

L'honorable Donald S. Macdonald, C.P., député
Ministre des Finances

Monsieur le Ministre,

J'ai l'honneur de vous transmettre, ci-joint, le Supplément dont je fais mention dans la lettre d'envoi qui accompagne mon Rapport à la Chambre des communes pour l'année financière terminée le 31 mars 1975.

Veuillez agréer, Monsieur le Ministre, l'assurance de ma très haute considération.

l'Auditeur général du Canada

A handwritten signature in dark ink, appearing to read "L. Macdonald", with a long horizontal line underneath.

SUPPLÉMENT AU RAPPORT ANNUEL
DE L'AUDITEUR GÉNÉRAL À LA CHAMBRE DES COMMUNES
POUR L'ANNÉE TERMINÉE LE 31 MARS 1975

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RAPPORT DE L'AUDITEUR GÉNÉRAL DU CANADA
SUR LES PRATIQUES DE GESTION ET DE CONTRÔLE FINANCIERS
AU SEIN DE L'ADMINISTRATION FÉDÉRALE

X

ÉTUDE DE LA GESTION ET DU CONTRÔLE FINANCIERS

(Le présent texte est une copie intégrale de la partie X du Rapport de l'Auditeur général du Canada devant être présenté à la Chambre des communes pour l'année terminée le 31 mars 1975.)

1. En 1974, mon personnel, secondé par des associés et d'autres membres de seize cabinets canadiens d'experts-comptables, a entrepris d'étudier à fond la gestion et le contrôle financiers de l'Administration fédérale.

Comme l'indiquait mon Rapport de 1974, cette étude était motivée par notre souci d'examiner la valeur des systèmes et contrôles des ministères et organismes dont j'ai la charge de vérifier les comptes.

Le présent chapitre expose nos conclusions sous une forme succincte. L'étude du Supplément joint à mon Rapport, premier Supplément à s'ajouter à un rapport d'un auditeur général, permettra de mieux comprendre le sens de ces conclusions dont on a saisi, à la fin de l'été 1975, les organismes centraux du gouvernement qui ont la responsabilité générale de la gestion et du contrôle financiers.

Une annexe au Supplément contient de brefs énoncés des observations et recommandations présentées aux fonctionnaires supérieurs des ministères ayant fait l'objet d'une étude, ainsi que leurs commentaires.

2. L'évaluation des systèmes et contrôles internes financiers et comptables fait partie intégrante de la conception moderne de la vérification puisqu'elle régit la nature et l'ampleur de tous les autres sondages de vérification. Sachant que les conclusions de l'étude détermineraient en grande partie l'étendue et la nature du travail futur de mes vérificateurs, le Bureau de la vérification a consacré à cette évaluation une part considérable de ses ressources, l'année dernière. Il est à souligner que cette étude n'a révélé aucun cas de fraude ni de détournement de fonds publics; ce n'était d'ailleurs pas là son objet. Elle a cependant fait voir que de telles malversations étaient possibles.

3. Une conclusion évidente se dégage de l'étude: les systèmes de gestion et de contrôle financiers des ministères et organismes de l'Administration fédérale sont actuellement loin de répondre aux normes acceptables de qualité et d'efficacité en la matière.

Il est évident qu'il faudrait accroître notablement nos sondages de vérification, à moins que le gouvernement ne prenne rapidement des mesures de correction. À noter, toutefois, qu'un accroissement des sondages de vérification ne saurait remplacer une gestion et un contrôle financiers adéquats. C'est pourquoi j'ai décidé de communiquer le plus tôt possible aux autorités administratives compétentes les résultats de notre étude, afin qu'elles puissent

entreprendre de remédier aux lacunes décelées, sans attendre la publication de mon Rapport.

4. Voici quelques-unes de nos conclusions:

- le Secrétariat du Conseil du trésor a pris d'importantes mesures depuis deux ans, mais il lui reste beaucoup à faire pour s'acquitter adéquatement des fonctions que lui prescrit la Loi en matière de gestion et de contrôle financiers au sein de l'Administration fédérale;
- les rapports financiers que les ministères obtiennent du ministère des Approvisionnements et Services ne sont pas suffisamment bons et ne leur parviennent pas à temps; les systèmes de comptabilité et de rapports financiers des ministères font donc largement double emploi;
- les ministères n'ont pas utilisé au mieux les pouvoirs accrus que leur ont conférés, en matière de finances, les modifications apportées en 1969 à la Loi sur l'administration financière;
- les renseignements financiers contenus dans le Budget des dépenses et les Comptes publics laissent beaucoup à désirer, car ni le Parlement ni le grand public ne sont suffisamment informés de l'emploi qui est fait des crédits votés;
- malgré le temps et les efforts considérables des cadres de l'Administration à tous les niveaux, les budgets des ministères ne sont pas assez précis pour fournir une base solide au contrôle du rendement de la gestion;
- bien que les systèmes de contrôle budgétaire préviennent, comme l'exige la Loi, tout dépassement des crédits votés, ils n'indiquent pas aux gestionnaires si les buts visés ont été atteints, ce qu'ils pourraient faire en comparant des objectifs bien définis avec des résultats explicites, si possible, quantitativement;
- en raison des faiblesses du contrôle financier, les données financières sont peu sûres et les ministères s'exposent à être victimes d'actes frauduleux;
- les vérifications internes, qui pourraient révéler des lacunes, laissent beaucoup à désirer, tant du point de vue de l'étendue que de la qualité;
- il y a un manque général de personnel compétent en matière de systèmes de contrôle financier; et
- les attributions du personnel financier, dans maints ministères et organismes fédéraux, sont interprétées de telle façon que d'importants aspects du contrôle financier ne reçoivent pas toute l'attention voulue.

5. Les recommandations de la présente partie concernent surtout l'ensemble de l'Administration fédérale. Les questions précises à l'égard desquelles les dirigeants des ministères et organismes peuvent prendre des mesures sans l'intervention des rouages centraux, ont fait l'objet de rapports distincts que nous avons adressés à ces dirigeants.

L'accent mis sur les mesures et les études dont les organismes centraux devraient prendre l'initiative, ainsi que les propositions visant à faciliter cette action en clarifiant les responsabilités centrales, ne sauraient être considérés comme étant de nature à diminuer de quelque façon la responsabilité primordiale des sous-chefs en matière de gestion et de contrôle financiers dans leurs ministères respectifs. Même si l'on peut conclure que les sous-chefs ont négligé cet aspect important de leurs attributions depuis 1969, époque à laquelle la loi leur a assigné un rôle précis à cet égard, leur réaction positive aux recommandations énumérées à l'annexe au Supplément me paraît encourageante et digne de mention.

Néanmoins, l'adoption, selon la recommandation du Comité indépendant de révision, de l'usage britannique qui consiste à désigner les sous-chefs comme agents comptables des crédits attribués à leur ministère, aurait pour effet de mettre en relief leur responsabilité envers le Parlement pour ce qui est des fonds publics confiés à leur gestion, ainsi que leur responsabilité envers le Premier ministre qui les nomme, et envers le gouvernement dont ils sont les administrateurs.

Le Supplément indique toutes les lacunes et faiblesses mises en lumière par l'étude et propose divers remèdes possibles. On y trouve aussi une description minutieuse du fonctionnement des divers mécanismes financiers des services de l'État. Nous publions tous ces renseignements, car nous jugeons important de les mettre à la disposition de la Chambre des communes.

La présente partie mentionne les principales lacunes observées et énonce de nouveau en entier les lignes de conduite recommandées. Pour qu'il soit plus facile de se reporter au Supplément, les numéros de chapitre et de paragraphe sont indiqués entre parenthèses.

Budget des dépenses et Comptes publics (Chapitre II)

6. Budget des dépenses (paragraphe 2.1 à 2.35) - Les changements intervenus dans la forme du Budget des dépenses ces dix dernières années ont considérablement réduit l'efficacité du contrôle des dépenses publiques qu'exerce le Parlement parce qu'on a rarement justifié, au moyen de renseignements appropriés, la réduction du nombre des crédits et leur libellé en termes plus généraux. Ainsi:

- la réduction du nombre des crédits et leur libellé en termes plus généraux ont donné une plus grande marge de manoeuvre à la gestion, mais la diminution du contrôle parlementaire n'a pas été neutralisée par des informations sur les activités qui révéleraient mieux les coûts des programmes;
- le contenu des exposés répond rarement aux critères du Conseil du trésor concernant les objectifs de programme, qui éclaireraient le Parlement; et
- les informations descriptives ne précisent pas suffisamment ce que font réellement les exécutants des programmes, n'indiquent pas beaucoup non plus qui en bénéficie, ni quels sont les résultats précis recherchés.

Il est peu probable qu'on puisse mettre au point un mode uniforme de présentation qui répondrait aux besoins du Parlement dans tous les cas. Le Budget des dépenses, sous sa forme actuelle, montre qu'une normalisation trop poussée se traduit par une perte notable d'information. En apportant les changements précités, le Conseil du trésor, tout en s'efforçant d'améliorer la forme du Budget, ne semble pas avoir accordé toute l'attention voulue au contrôle financier.

Les pratiques actuelles ne permettent pas de connaître avec certitude la nature des dépenses que les crédits sont censés couvrir. Il est donc difficile, pour mon Bureau, de s'acquitter de la mission qui m'est confiée en vertu de l'article 61(1)c) de la Loi sur l'administration financière, à savoir d'attirer l'attention sur tous les cas où «un crédit budgétaire a été dépassé ou a été affecté à une fin ou d'une manière non autorisée par le Parlement».

Il faudrait se livrer à une étude approfondie de la forme du Budget des dépenses ainsi que des données que présentent les divers ministères et organismes à l'appui de leurs demandes de crédits, afin de déterminer les modifications nécessaires à une meilleure divulgation des détails et à un meilleur contrôle du Parlement et du gouvernement sur les dépenses ministérielles, par rapport aux crédits votés. (2.35)

7. Comptes publics (paragraphe 2.36 à 2.46) - Toute modification qui découlerait d'une étude du Budget des dépenses entraînerait automatiquement une amélioration des Comptes publics; cependant, on pourrait aussi améliorer ces derniers à d'autres égards. Par exemple:

- quiconque ne connaît pas à fond le contenu des volumes des Comptes publics et l'endroit où sont consignés les divers renseignements qu'ils contiennent, s'y retrouve difficilement;
- dans une large mesure, les informations sur les dépenses se répètent; et
- l'information que fournissent les Comptes publics ne suit pas assez étroitement la structure du Budget des dépenses pour permettre au gouvernement de s'acquitter comme il convient de sa responsabilité envers le Parlement.

Comme la structure du Budget des dépenses constitue le fondement des comptes que doit rendre le gouvernement, les discordances entre le Budget des dépenses et les Comptes publics devraient être corrigées. En outre, puisque les Comptes publics traitent des opérations réellement effectuées, ils devraient être conçus de manière à fournir des renseignements sous une forme plus précise que le Budget des dépenses, lequel concerne les opérations à venir. Les renseignements succincts que le Budget des dépenses donne à l'égard des activités devraient figurer de façon plus détaillée dans les Comptes publics et être assortis de données non financières sur les résultats obtenus.

Les Comptes publics devraient contenir des données allant au-delà de celles du Budget des dépenses; néanmoins, les deux documents devraient être étroitement coordonnés. Si un seul organisme central était chargé d'établir la forme du Budget des dépenses et des Comptes publics, il serait possible de rendre au Parlement des comptes plus appropriés et plus homogènes. Il s'ensuivrait que:

- les affectations de crédits et les détails à l'appui, dans le Budget des dépenses, seraient agencés d'une manière qui permettrait ultérieurement la présentation de comptes rendus satisfaisants;
- on disposerait d'informations comptables détaillées pour étayer les demandes de crédits avant que des modifications soient apportées au Budget des dépenses;
- la matière analytique des Comptes publics se rattacherait aux informations présentées à l'appui du Budget des dépenses; et
- les deux documents permettraient d'aborder de façon cohérente le problème qui se pose de faire clairement ressortir les aspects financiers des programmes de l'État, de plus en plus complexes, variés et changeants.

Un seul organisme central devrait être chargé d'établir la forme du Budget des dépenses et des Comptes publics de façon qu'on puisse rendre au Parlement des comptes plus satisfaisants et plus homogènes. (2.46)

Affectation des ressources (Chapitre III)

8. Le présent Rapport se préoccupe non pas du bien-fondé des décisions prises en ce qui touche l'affectation des fonds disponibles, mais de la valeur et de la qualité de l'information sur laquelle ces décisions se fondent, ainsi que de la nécessité de formuler et de communiquer cette information assez clairement pour que les gestionnaires puissent administrer et contrôler les fonds publics conformément aux intentions du Parlement et du gouvernement.

9. Communication des priorités et des objectifs gouvernementaux (paragraphe 3.7 à 3.18) - Si l'on veut obtenir une gestion et un contrôle efficaces des fonds, il faut que tous les intéressés conçoivent clairement les objectifs envisagés au moment de l'affectation de ces ressources.

Un élément essentiel d'une bonne gestion financière, c'est la communication essentielle d'une bonne gestion financière, c'est la communication réelle non seulement des priorités établies pour l'ensemble des objectifs gouvernementaux, aux plus hauts paliers de l'administration, mais aussi des buts précis des sous-activités connexes, au niveau des gestionnaires d'exploitation. Dans bien des cas, le personnel chargé d'établir les prévisions de programme - en somme, de planifier les dépenses futures - n'est pas suffisamment informé des objectifs du gouvernement ou de ceux de son propre ministère.

Les prévisions de programme présentées au Secrétariat du Conseil du trésor ne constituent souvent qu'une agrégation des priorités des divers gestionnaires, et non une réponse unifiée des objectifs du gouvernement ou de la haute direction du ministère. Les gestionnaires tendent à exercer des pressions excessives en vue de hausser le plafond des dépenses. Sans priorités convenablement établies, ils n'ont guère raison d'agir autrement.

Le processus actuel ne donne pas une idée claire des objectifs à atteindre au cours de l'année financière, bien qu'il facilite les compromis en n'exposant pas les plans et priorités ou en ne les formulant qu'en termes généraux.

Il faut faire connaître officiellement et à temps aux gestionnaires responsables des divers aspects de la planification financière les objectifs et priorités du gouvernement et du ministère, qui doivent en outre être suffisamment détaillés pour leur servir de guide. (3.18)

10. Attribution de la responsabilité des prévisions de programme (paragraphe 3.32 à 3.36) - Le Manuel du Conseil du trésor concernant les prévisions de programme et le Budget des dépenses précise que les prévisions de programme devraient être réunies à partir du sommet de la hiérarchie, c'est-à-dire centralisées au niveau de la haute direction, les autres paliers fournissant des informations de planification grâce à un dialogue continu. Cependant, de nombreux ministères recourent à la voie ascendante, ce qui les oblige à combiner des prévisions établies à divers niveaux. Cela donne lieu à de très longs travaux, à un excès de détails, à une perte de temps au niveau des gestionnaires subalternes et à un sentiment de frustration chez les gestionnaires, en présence de modifications budgétaires apparemment arbitraires.

Les prévisions de programme détaillées, établies par les gestionnaires subalternes jusqu'à 15 mois avant le début de l'année financière, constituent souvent la base des budgets d'exploitation, qui servent ensuite de critère pour l'évaluation du rendement des gestionnaires. Ces budgets détaillés devraient être établis plus tard, une fois les questions de programmes réglées, les modifications de prix connues et les résultats financiers de l'année courante plus complets.

Les gestionnaires supérieurs des ministères et organismes devraient centraliser la préparation des prévisions de programme, les gestionnaires des autres niveaux leur fournissant les renseignements nécessaires à la planification, surtout au moyen d'un dialogue constant avec le bureau principal. (3.36)

11. Teneur des présentations de prévisions de programme (paragraphe 3.37 à 3.40) - Le mode d'établissement des prévisions de programme amène à fournir des informations détaillées dont le Conseil du trésor n'a pas besoin pour affecter les ressources. Dans certains cas, cependant, ces prévisions ne fournissent pas les renseignements qu'il faut au Conseil du trésor, lequel doit alors les obtenir lui-même à la source.

Il faudrait étudier quels sont les renseignements nécessaires à l'établissement des prévisions de programme de manière à n'exiger que des détails indispensables et à préciser clairement le genre de renseignements propres à refléter la nature foncièrement différente des divers ministères et organismes ainsi que celle des programmes diversifiés qu'ils administrent. (3.40)

12. Évaluation des programmes permanents (paragraphe 3.41 à 3.46) - Une importante partie des programmes actuels ne fait pas automatiquement l'objet d'un examen par les ministères, le Conseil du trésor ou le Cabinet. Le Conseil du trésor peut aviser les ministères de supprimer ou de réduire une activité moins prioritaire en faveur d'une nouvelle, mais sans tenir compte de ce que d'autres ministères et organismes peuvent avoir des activités encore moins prioritaires qu'il conviendrait de supprimer.

Tous les programmes devraient faire l'objet d'un examen périodique approfondi de la part des ministères, avec une participation appropriée des organismes centraux pour permettre à ces derniers de s'acquitter de leurs responsabilités en matière d'attributions des ressources et de contrôle budgétaire. (3.46)

13. Examen des besoins en personnel (paragraphe 3.47 à 3.48) - Nombre de ministères établissent leurs prévisions de programme sans avoir évalué de façon réaliste les possibilités de pourvoir aux nouveaux postes. Ainsi ils peuvent disposer de fonds pour d'autres fins, ce qui réduit la nécessité d'un contrôle budgétaire étroit.

Il est essentiel de vérifier si le personnel nécessaire sera vraisemblablement disponible, avant d'approuver les prévisions de dépenses des ministères. Cette précaution donnerait en même temps aux services de recrutement les délais dont ils ont un pressant besoin.

Les divisions du personnel des ministères devraient participer à l'examen des prévisions de programme. En outre, la direction de la politique du personnel du Secrétariat du Conseil du trésor et la Commission de la Fonction publique devraient être consultées au sujet de l'incidence des prévisions de programme sur la dotation en personnel avant que le Conseil du trésor approuve les niveaux budgétaires. (3.48)

14. Qualité de l'information (paragraphe 3.49 à 3.64) - Par suite de l'insuffisance des données, les présentations de prévisions de programme et du Budget des dépenses reflètent des lacunes. Le personnel de la direction des programmes du Conseil du trésor manque, semble-t-il, du temps et de l'expérience voulus pour obtenir que les ministères élaborent de bons systèmes de catégorisation des coûts; il semble aussi que les ministères ne sont peut-être pas mécontents d'une structure de programmes et d'activités qui leur assure les fonds dont ils ont besoin, en n'ayant à donner qu'un minimum d'indications sur leur emploi futur. Par exemple:

- les prévisions de programme sont souvent établies de façon si approximative qu'on ne possède guère d'éléments pour mettre en doute l'efficacité ou le rendement de l'activité qui s'exerce dans chaque service organique;

- le recours à des données non financières comme moyen d'évaluer le rendement a connu un succès limité;
- les prévisions tendent à ne pas tenir compte des effets de redressement qui découlent de l'expérience acquise; le Secrétariat du Conseil du trésor n'exerce guère de surveillance complémentaire systématique pour vérifier l'intégrité des prévisions de dépenses émanant des ministères;
- bon nombre de ministères ne prévoient pas avec précision leurs besoins pour les années à venir;
- l'hypothèse selon laquelle les accroissements de productivité compenseraient les hausses de salaires et de prix encourage les directeurs de programmes à exagérer certaines de leurs autres exigences budgétaires afin d'obtenir les fonds nécessaires pour contrebalancer les effets de l'inflation; et
- on ne tient aucun compte de l'effet des fluctuations annuelles des stocks.

Toutes ces lacunes font ressortir la nécessité d'un nouvel effort pour s'assurer que toutes ces questions reçoivent l'attention qu'elles méritent.

Des initiatives s'imposent pour améliorer la qualité des données présentées dans les demandes quant aux prévisions de programme et au Budget des dépenses, c'est-à-dire:

- *réévaluer la structure actuelle des programmes et activités ministériels pour s'assurer qu'elle est appropriée;*
- *encourager l'emploi de méthodes propres à accroître l'aptitude des systèmes financiers à mesurer le rendement;*
- *examiner plus à fond les données présentées par les ministères;*
- *contrôler a posteriori les dépenses réelles pour évaluer la qualité des données budgétaires;*
- *confier à un rouage central le soin d'établir la base du calcul des montants inclus pour absorber l'inflation;*
- *examiner l'effet de la variation des niveaux des stocks; et*
- *contrôler a posteriori les projections comprises dans les prévisions de programme, à l'égard des années futures. (3.64)*

15. Communication du détail des méthodes et des décisions (paragraphe 3.65 à 3.71) - Les documents du Conseil du trésor qui font connaître aux ministères le processus budgétaire n'offrent qu'un tableau fragmentaire des diverses règles et des divers principes pertinents.

Le Manuel des prévisions de programme et du budget des dépenses renvoie le lecteur au Guide qu'a publié le Conseil au sujet de la rationalisation des choix budgétaires, pour ce qui est des principes applicables du système budgétaire. Ce Guide, imprimé en 1969, n'a pas été mis à jour; il est maintenant épuisé et l'on n'a pas décidé s'il sera réédité.

Quatre circulaires budgétaires distinctes exposent en détail des méthodes ayant trait à des points précis telles les dépenses d'immobilisations.

Le Secrétariat du Conseil du trésor ne formule pas de commentaires écrits sur la nature et la qualité des renseignements compris dans les prévisions de programme; il ne propose pas non plus officiellement de moyens propres à éliminer les lacunes.

La qualité de l'information et de la présentation des prévisions de programme varie d'un ministère à l'autre. Les faiblesses tendent à se répéter d'année en année, et c'est d'ordinaire le personnel des ministères qui entreprend d'apporter des améliorations.

Il faudrait préparer un manuel complet sur l'attribution des ressources contenant une version consolidée et mise à jour des sections pertinentes des manuels, guides et circulaires du Conseil du trésor qui traitent du processus d'attribution des ressources. Ces documents devraient être complétés par des lettres annuelles à l'adresse de chaque ministère, qui proposeraient des améliorations touchant la qualité, le contenu et la présentation des demandes de l'année précédente. Chaque ministère devrait y répondre officiellement en exposant les améliorations qu'il projette d'apporter à l'avenir. (3.71)

16. Analystes de programmes (paragraphe 3.72 à .375) - Chez les analystes de la direction des programmes du Secrétariat du Conseil du trésor, l'indice de rotation est assez élevé. Des personnes manifestement compétentes sont engagées par le Conseil, habituellement pour trois ans, étant entendu qu'elles seront finalement mutées dans un ministère d'exécution. Malheureusement, bien des analystes de programmes quittent le Conseil avant la fin de cette période.

Cet indice de rotation du personnel crée un problème sérieux, car l'affectation des ressources est un aspect complexe et important de l'administration financière du secteur public.

Le Secrétariat du Conseil du trésor devrait étudier les causes du fort indice de rotation des analystes de programme et prendre les mesures pour corriger la situation. (3.75)

17. Description des méthodes (paragraphe 3.76 et 3.77) - L'effet du changement de personnel s'est accentué par suite d'une formation initiale insuffisante et d'un manque de méthodes normalisées d'évaluation des présentations. Si les méthodes et le fondement des prises de décisions étaient décrits officiellement, on aiderait les nouveaux analystes à s'adapter plus rapidement.

Pour appuyer ses décisions, la direction des programmes devrait normaliser, pour usage interne, les listes de contrôle, les questionnaires et les procédés pertinents. (3.77)

18. Apprentissage des méthodes (paragraphe 3.78 à 3.80) - Les personnes qui s'occupent de l'affectation des ressources dans les ministères et au Conseil du trésor ne reçoivent aucune formation officielle, ni en ce qui touche les notions de base, ni le détail des méthodes.

Même si certains aspects du processus d'affectation des ressources sont traités dans divers cours généraux, il n'existe aucun programme centralisé de formation qui permettrait aux employés d'apprendre à fond le processus en question. Un tel programme s'impose.

Il faudrait développer un cours intensif de formation portant sur tous les aspects pertinents de l'affectation des ressources. Ce cours devrait être obligatoire pour tous les fonctionnaires qui s'occupent surtout de planification et d'établissement du budget dans chaque ministère et organisme. (3.80)

19. Revenus non fiscaux (paragraphe 3.81 à 3.86) - Par suite des modifications apportées à la Loi sur l'administration financière en 1969, lesquelles autorisaient la délégation aux ministères du pouvoir de fixer le tarif ou les frais des services qu'ils assurent au public, bien des ministères ont cherché à établir ou à majorer ces frais. Dans bien des cas, les demandes de majoration ont été différées pour diverses raisons, et certains ministères ont invoqué leur expérience pour se justifier de ne pas faire des examens périodiques aux fins d'établir la nécessité de modifier leur tarif.

Les ministères devraient être tenus d'évaluer annuellement les services qu'ils assurent au public, à la lumière des lignes directrices du Conseil du trésor, et de présenter des recommandations préconisant le maintien des politiques visant les revenus ou l'augmentation ou la réduction des frais exigés, par suite de l'évolution de la nature des services offerts ou de leur prix de revient. De son côté, le Conseil du trésor devrait être tenu de présenter au gouverneur en conseil des recommandations annuelles sur les politiques en matière de revenu, pour que celui-ci les examine en vertu de l'article 13 de la Loi sur l'administration financière. (3.86)

Contrôle budgétaire (Chapitre IV)

20. Emploi des affectations (paragraphe 4.10 à 4.12) - En général, les ministères tiennent des registres satisfaisants des crédits et des affectations.

Le Conseil du trésor peut diviser les crédits en affectations, pour faire en sorte que les ministères n'emploient pas leurs fonds à une autre fin que celle expressément prévue. Ces dernières années, le recours à cette disposition n'a pas été très fréquent, mais, dans l'année en cours, le Conseil a fait des salaires une affectation distincte pour la plupart des ministères.

Le Conseil du trésor devrait établir des affectations distinctes lorsque d'importantes sommes sont prévues à des fins discrétionnaires, et, partant, soumises au contrôle des gestionnaires. (4.12)

21. Nécessité de la comptabilisation des engagements (paragraphe 4.13 à 4.17) -

La Loi exige que tous les ministères tiennent tout au long de l'année des registres détaillés de leurs engagements; néanmoins, plusieurs estiment que cela est inutile puisqu'ils n'ont jamais dépassé leurs crédits et qu'ils ne le feront probablement pas à l'avenir. D'autre part, ils sont d'avis qu'il ne faut consigner les engagements que vers la fin de l'année financière pour faire en sorte de ne pas franchir les limites de leurs crédits.

Les ministères dotés de systèmes convenables de contrôle budgétaire et de rapports financiers ne devraient être tenus de consigner leurs engagements que vers la fin de l'année, s'il y a lieu. (4.17)

22. Contrôle au moyen de rapports financiers périodiques (paragraphe 4.18 à 4.29)

- De nombreux systèmes de contrôle budgétaire et de rapports financiers des ministères ne fournissent pas d'information satisfaisante utilisable de la façon envisagée dans le Guide d'administration financière du Conseil du trésor.

Ces dernières années, nombre de ministères disposaient, dans leur budget, de fonds applicables à des postes non pourvus. Il en résulte que certains budgets d'exploitation sont excessifs, de sorte que les gestionnaires des ministères n'ont pas cru nécessaire d'exercer un contrôle budgétaire efficace au moyen d'une comparaison entre les coûts prévus et les coûts réels d'une part et, d'autre part, les résultats réellement obtenus.

Certains gestionnaires désirent réellement disposer d'un moyen efficace de contrôle budgétaire sous la forme de rapports financiers, mais les systèmes ministériels ne sont généralement pas de nature à satisfaire à leurs besoins.

Les systèmes de contrôle budgétaire et de rapports financiers des ministères exigent au minimum:

- *des éléments de coûts et des renseignements sur les coûts convenablement définis, pour que les gestionnaires puissent être tenus responsables de leur rendement;*
- *des budgets détaillés reliés à des périodes déterminées correspondant à l'attribution des responsabilités de gestion;*
- *des éléments budgétaires et comptables uniformes;*
- *l'établissement et la diffusion en temps voulu de rapports financiers périodiques; et*
- *l'analyse des écarts entre les résultats prévus et les résultats obtenus. (4.29)*

23. Utilisation des données non financières (paragraphe 4.30 à 4.35) - Étant donné que dans le secteur public le rendement ne saurait être évalué uniquement du point de vue financier, il faut fournir d'autres données traduisant mieux les résultats obtenus. La plupart des ministères ne mesurent pas systématiquement le rendement. Dans les cas où ces renseignements sont recueillis, une bonne partie se révèle peu fiable. Pour que les comparaisons entre les coûts et les avantages soient valables, ces renseignements devraient être assujettis aux mêmes contrôles que les données financières, et les deux éléments devraient être établis de façon uniforme.

Des indicateurs de rendement doivent faire partie intégrante des systèmes ministériels de contrôle budgétaire et de rapports financiers, dans tous les secteurs pouvant être réellement mesurés. (4.35)

24. Approbation centralisée des systèmes (paragraphe 4.36 à 4.38) - La plupart des ministères n'ont pas conçu ni appliqué de bons systèmes de plupart des ministères n'ont pas conçu ni appliqué de bons systèmes de contrôle budgétaire et de rapports financiers, parce qu'ils ne s'en préoccupent guère, du fait qu'ils estiment qu'il est facile d'obtenir des fonds. Les instructions du Guide d'administration financière du Conseil du trésor concernant le contrôle budgétaire devraient revêtir un caractère obligatoire dans la plupart des cas.

Un organisme central devrait être chargé d'approuver et de réévaluer périodiquement les systèmes ministériels de contrôle budgétaire et de rapports financiers, pour s'assurer qu'ils sont de nature à satisfaire aux besoins du Parlement et du gouvernement, ainsi qu'à ceux des ministères. (4.38)

25. Contrôle budgétaire centralisé (paragraphe 4.39 à 4.46) - La direction des programmes du Conseil du trésor ne possède aucun système officiel, sauf les rapports trimestriels sur la main-d'oeuvre, pour s'acquitter de la responsabilité qui lui incombe d'«assurer une gestion efficace des dépenses, y compris le contrôle des dépenses en fonction des allocations fixées, l'utilisation des années-hommes autorisées de l'organisation de la gestion des ressources affectées et des résultats de programme obtenus en conformité avec les plans de mise en oeuvre».

Une forme quelconque de contrôle s'impose pour l'ensemble de l'Administration fédérale, de manière que le gouvernement tout entier puisse contrôler ses dépenses réelles au regard des plans établis.

Il faudrait préparer un rapport mensuel fondé sur l'analyse des budgets et des dépenses des ministères, ainsi que sur les écarts, de façon que le Conseil du trésor puisse prendre des mesures pour contrôler les dépenses en trop ou pour bloquer les ressources excessives. (4.46)

26. Système comptable général du ministère des Approvisionnements et Services (M.A.S.)(paragraphe 5.2 à 5.24) - Bien des ministères sont insatisfaits des services de rapports financiers que leur fournit le ministère des Approvisionnements et Services, et 70% de ceux que nous avons interrogés ont adopté ou sont en train d'élaborer leurs propres systèmes de rapports en vue de répondre à la totalité ou à une partie de leurs besoins, en dépit du double emploi considérable que cela peut entraîner.

Là où il existe du mécontentement, cela tient à un certain nombre de raisons, notamment:

- la liaison entre les ministères et le ministère des Approvisionnements et Services n'a pas été efficace;
- le système est lent à s'adapter aux changements;
- il ne permet pas de contrôler suffisamment les données d'entrée, et les erreurs persistent pendant quelque temps;
- la diffusion des rapports est lente et peu sûre; et
- les renseignements fournis sont inopportuns ou inexacts.

Bien qu'un bon nombre ne lui soient pas entièrement attribuables, le M.A.S. reconnaît généralement ces problèmes, et il a arrêté des plans pour les résoudre, en s'inspirant de la formule de centralisation actuelle du traitement. Cependant, étant donné l'étendue du double emploi constaté dans les ministères et d'autres considérations il serait préférable de décentraliser davantage les fonctions comptables.

Il faudrait entreprendre une étude aux fins de découvrir le meilleur moyen de produire des rapports financiers exacts et présentés en temps voulu pour les ministères et les organismes. (5.24)

27. Systèmes de paie du M.A.S. (paragraphe 5.25 à 5.38) - Il faut reviser les systèmes de paie central et régionaux du M.A.S. pour les adapter aux normes fondamentales de la bonne gestion financière.

Le délai qui s'écoule entre l'inscription d'un changement de statut d'un employé et la manifestation de ce changement sur son chèque de paie établi par le système de paie central peut prendre jusqu'à 30 jours.

Les méthodes actuelles centralisent au M.A.S. le contrôle de toutes les informations de la paie et les ministères ont abdiqué leur responsabilité à cet égard. On ne pourra obtenir des améliorations que si les ministères contrôlent la paie d'une manière plus efficace.

Il faudrait entreprendre une étude qui préciserait la manière dont les ministères pourraient mieux préparer et contrôler leurs documents de paie jusqu'au moment de les transmettre à des bureaux de paie, central ou régionaux, du ministère des Approvisionnements et Services, ces bureaux n'étant chargés que de la préparation des chèques et de l'application des systèmes et méthodes requis pour traiter les données de paie, faire les retenues appropriées et fournir aux organismes centraux les renseignements nécessaires. (5.38)

Contrôles financiers (Chapitre VI)

28. Contrôle des dépenses (paragraphes 6.15 à 6.22) - Les Lois, les règlements ou les directives des organismes centraux exigent un contrôle de la plupart des opérations financières; ces directives, étant incomplètes, obligent les fonctionnaires chargés de les appliquer à en interpréter le sens.

L'efficacité des systèmes de contrôle financier dépend trop de l'expérience et de l'intégrité des employés en cause et de vérifications peu efficaces et répétitives. Ces faiblesses donnent lieu à une information incomplète ou inexacte et à un manque de protection contre les fraudes et les erreurs.

Les ministères ont été lents à réagir même à des directives formelles du Conseil du trésor leur demandant d'améliorer ces contrôles.

Les aptitudes nécessaires à la conception de bons systèmes de contrôle financier ne semblent pas recevoir une priorité élevée lorsqu'il s'agit de remplir les postes. En conséquence, les employés chargés de tâches financières au sein des ministères manquent souvent de la formation voulue pour concevoir des contrôles efficaces, ou bien ils sont soumis à certaines contraintes qui les empêchent de le faire. Au surplus, il existe certaines incertitudes entre les ministères et le M.A.S. quant à la responsabilité respective qui leur incombe d'établir des contrôles efficaces.

Dans tous les systèmes financiers, il faudrait séparer les tâches avec soin de façon que sans dédoublement inutile d'efforts, un membre du personnel ou un élément d'un système exerce un contrôle efficace autonome de l'intégrité et de l'exactitude d'un autre élément. En particulier, il devrait y avoir une distinction suffisante entre le pouvoir de dépenser et le pouvoir de payer dans le cas de toutes les opérations de dépenses, de même qu'entre la vérification des comptes à payer, la préparation des documents, la demande et la distribution de chèques, la réception et le dépôt des fonds. Il conviendrait d'établir des contrôles aussitôt que possible et de les maintenir tout au long des étapes du traitement manuel, mécanique et électronique des documents. En particulier:

- *les gestionnaires ne sauraient exercer les pouvoirs qui leur sont délégués uniquement lorsqu'ils disposent d'information nécessaire à cette fin;*

- *il faudrait établir des contrôles de toutes les données importantes, dès le palier de départ, avant le traitement, et le travail de contrôle devrait être approuvé au même palier, après le traitement;*
- *il faudrait établir un contrôle des dépenses avant d'accorder les autorisations de dépenser et de payer; et*
- *il faudrait s'assurer qu'il existe des preuves bien documentées attestant l'exécution de toutes les fonctions de contrôle, preuves que les gestionnaires devraient vérifier régulièrement. (6.22)*

29. Contrôle de la paie (paragraphe 6.23 à 6.27) - Les systèmes de paie devraient être assujettis aux mêmes normes de contrôle financier que les autres dépenses. Les directives du Conseil du trésor ont surtout visé le contrôle d'autres genres de dépenses, tandis que les instructions du M.A.S. portent uniquement sur le mécanisme administratif.

Au sein de la plupart des ministères et organismes, le contrôle de la paie incombe en premier lieu à des groupes où souvent il n'existe pas une distinction suffisante entre les diverses responsabilités, et où le personnel ne possède pas, en général, de formation en matière de contrôle financier. Il ne faut pas restreindre les attributions du personnel financier au point de l'empêcher d'exercer un contrôle efficace dans ce domaine.

Le personnel financier devrait être tenu de s'assurer qu'il existe des contrôles au sein des systèmes de paie comme il en existe dans tous les autres systèmes administratifs qui donnent lieu à des opérations financières. (6.27)

30. Contrôle des revenus, des comptes à recevoir et des stocks (paragraphe 6.28 à 6.37) - Pour plus de commodité administrative, il arrive souvent qu'on ne sépare pas suffisamment le traitement des revenus, des comptes à recevoir et des stocks. Les responsables aux actifs conservent souvent les seules pièces comptables, dans leurs dossiers, y compris les contrôles comptables lorsque pareils actifs sont financés au moyen d'avances de fonds de roulement.

Tous les revenus, tous les comptes à recevoir et tous les stocks importants devraient faire l'objet d'un système de contrôle efficace, généralement un contrôle comptable indépendant. (6.37)

31. Responsabilité de l'amélioration des contrôles financiers (paragraphe 6.38 à 6.42) - Le gouvernement doit avoir l'assurance qu'on exerce des contrôles appropriés dans toute la Fonction publique. La meilleure façon d'y arriver consiste à émettre des directives claires sur les initiatives à prendre, lesquelles seraient appuyées par des études de systèmes que ferait le personnel d'un organisme central, ainsi que par des sondages confiés à des équipes ministérielles.

Il faudrait réviser les systèmes ministériels et les faire approuver par un organisme central afin de s'assurer qu'ils sont conformes aux directives du Conseil du trésor et aux autres instructions qui s'imposeraient pour assurer un contrôle adéquat des dépenses, des revenus et des actifs. (6.42)

Vérification interne (Chapitre VII)

32. Efficacité des vérifications internes (paragraphe 7.1 à 7.12) - On a longtemps considéré la vérification interne comme un élément important du processus de contrôle de gestion puisqu'il fournit un moyen d'évaluer l'efficacité et l'utilité des opérations financières et autres.

Voici certaines inquiétudes que nous avons au sujet de la vérification interne:

- certains ministères ne font pas de vérification interne;
- les vérificateurs internes sont souvent occupés à d'autres fonctions qui les détournent de leur tâche de vérification;
- la vérification n'est ni uniforme ni complète; et
- le personnel n'est pas assez rompu à l'exercice de ses fonctions, ou ne connaît pas suffisamment ses responsabilités.

Il nous paraît douteux qu'un organisme central puisse évaluer convenablement les contrôles financiers dans l'ensemble des services fédéraux, à moins qu'on prenne des mesures plus énergiques pour s'assurer que la vérification interne s'effectue d'une manière efficace dans tous les ministères.

L'organisme central du gouvernement chargé de prescrire les normes, la portée et l'ampleur des vérifications financières des ministères devrait insister davantage sur la nécessité qu'il y a de surveiller la vérification interne des ministères en vue de susciter un plus grand respect des normes. (7.12)

Personnel financier (Chapitre VIII)

33. Administration financière au sein du gouvernement (paragraphe 8.2 à 8.13) - On n'arrivera à atteindre un niveau généralement acceptable de qualité dans la gestion et le contrôle financiers, au sein du gouvernement, qu'à l'aide d'un personnel suffisamment qualifié.

Bon nombre de comptables professionnels du gouvernement décident de travailler dans des domaines qui ne sont pas liés à la gestion et au contrôle financiers. L'une des raisons fondamentales en est que les normes de classement des agents financiers n'accordent pas suffisamment d'importance aux titres professionnels.

Il faudrait entreprendre une étude exhaustive des systèmes de personnel qui concernent expressément les administrateurs financiers, en vue d'examiner l'opportunité qu'il y aurait de constituer un groupe de comptables professionnels, assez considérable pour répondre aux besoins actuels et futurs de la gestion et du contrôle financiers de l'État. (8.13)

34. Dotation en personnel de la fonction financière (paragraphe 8.14 à 8.21) - L'évolution qui s'est produite ces dernières années a produit bien des possibilités de carrière pour les administrateurs financiers, ce qui a causé une forte rotation du personnel FI. Dans certains ministères 35% des postes sont vacants et il y a un taux de rotation annuel qui s'élève jusqu'à 45% au niveau des postes financiers.

La demande de personnel FI augmente plus rapidement que l'offre, et tout indique qu'il se produira dans l'avenir une pénurie sérieuse de personnel qualifié.

Le fort indice de rotation influe sérieusement sur la gestion et le contrôle financiers, et le travail d'élaboration des systèmes s'en trouve particulièrement diminué.

Un examen approfondi devrait être entrepris pour établir quels sont les besoins de l'État en fait de personnel de gestion financière, par genre et niveau, ainsi que pour élaborer un programme visant à parer à la pénurie actuelle. (8.21)

35. Leadership de l'administration financière (paragraphe 8.22 à 8.30) - L'existence d'une source d'orientation et de direction qui contribuerait à l'établissement de normes professionnelles que les agents financiers de tous les services fédéraux appliqueraient serait d'une importance capitale.

À l'égard des questions financières, les gestionnaires ministériels ont besoin de l'appui d'un personnel bien formé et expérimenté. Les administrateurs sont abandonnés à eux-mêmes parce qu'on ne leur donne pas de renseignements suffisants sur le rendement de leur personnel financier; c'est ainsi qu'ils n'obtiennent pas le soutien nécessaire à l'exercice de leurs fonctions de gestion et de contrôle financiers.

L'administration financière a perdu de l'importance parce qu'elle n'a plus ni la direction centrale ni l'appui nécessaires qui lui fourniraient les moyens et le statut voulus pour lui permettre de répondre aux besoins des administrateurs.

Il faudrait confier à un organisme central du gouvernement qui aurait les connaissances voulues pour s'assurer que les ministères soient dotés d'un personnel financier compétent, la tâche d'aider la Commission de la Fonction publique dans les questions reliées à la formation du personnel des services financiers, de surveiller le déroulement de leur carrière et de donner des conseils en ce qui touche la compétence nécessaire à leur avancement. (8.30)

Responsabilité de la gestion et du contrôle financiers au sein des ministères (Chapitre IX)

36. Structures de l'organisation des ministères (paragraphe 9.5 à 9.12) - La façon dont la fonction financière est organisée et dont les fonctionnaires supérieurs des finances

rendent compte varie beaucoup d'un ministère à l'autre. Certains fonctionnaires répondent directement au sous-chef du ministère: certains le font par l'entremise d'un fonctionnaire supérieur de l'administration; d'autres, par le canal de deux niveaux ou plus de fonctionnaires supérieurs de l'administration.

Dans tous les ministères, l'agent financier en chef relevant directement du sous-chef est très compétent; il possède généralement des titres de compétence professionnelle en comptabilité. Au sein de ces ministères, on se préoccupe davantage de donner au personnel sur place des directives à l'égard des questions financières.

Dans les cas où le fonctionnaire supérieur des finances fait rapport par l'intermédiaire d'un fonctionnaire supérieur de l'administration sans compétence en matière de finances, les préoccupations quant à la gestion et au contrôle financiers risquent de ne pas être clairement formulées aux réunions de la haute direction. Ainsi, les agents financiers perdent du prestige à tel point que les chargés de programme ne recherchent pas leurs avis, de sorte qu'ils sont obligés de préparer les budgets et de contrôler les fonds sans connaître les priorités de la haute direction.

Le haut fonctionnaire responsable de la gestion et du contrôle financiers devrait relever directement du sous-chef et faire partie du comité de gestion du ministère. Il devrait toujours avoir la formation et l'expérience voulues pour conseiller le sous-chef sur tous les aspects de la gestion et du contrôle financiers et pour assurer le leadership indispensable auprès de tout le personnel financier du ministère. (9.12)

37. Direction et orientation internes (paragraphe 9.13 à 9.19) - Présentement, certains fonctionnaires supérieurs des finances ne s'efforcent pas assez de diriger le personnel financier tant au bureau principal qu'aux bureaux régionaux. Rares sont ceux qui donnent à leurs employés des directives efficaces, même dans les domaines où ils auraient l'occasion de le faire. Par exemple, les manuels financiers des ministères sont souvent incomplets ou non à jour, bien qu'on les ait améliorés récemment grâce surtout aux efforts des équipes d'évaluation du Conseil du trésor qui ont étudié la question des manuels et autres domaines.

Les fonctionnaires supérieurs des finances des ministères doivent fournir une direction et une orientation plus poussées au personnel exerçant des fonctions de gestion et de contrôle financiers. Pour ce faire, il faudrait au moins:

- *qu'il existe des manuels financiers complets dans les ministères;*
- *que les fonctionnaires précités aient des contacts personnels avec les agents financiers et autres, à qui ils donneraient des directives techniques, même à l'aide de réunions officielles ou de visites périodiques sur place; et*
- *qu'ils participent à la sélection, à la formation et à l'évaluation du personnel financier, même si ce personnel ne relève pas directement de leur surveillance. (9.19)*

38. Étendue des attributions du personnel financier (paragraphe 9.20 à 9.29) - Le système actuel de gestion financière au sein des ministères tend à mettre l'accent davantage sur l'obligation de maintenir les dépenses dans les limites des affectations prévues que sur celle d'utiliser les fonds le plus efficacement possible.

Ce manque de souci à l'égard de l'efficacité ou du rendement des dépenses s'est accru en raison de la facilité avec laquelle on peut faire des virements de fonds dans le cadre de crédits libellés en termes généraux et de la mesure où les fonds excédentaires ont été disponibles selon les méthodes actuelles d'établissement du budget.

Les gestionnaires de programmes considèrent souvent les données qu'ils présentent au Conseil du trésor ou qui leur parviennent du système centralisé de rapports financiers d'une valeur si douteuse qu'ils sont peu portés à s'en tenir aux propositions budgétaires ou à utiliser l'information fournie par le système financier.

Au sein des ministères, on ne reconnaît pas assez, en général, que le contrôle interne devrait viser tous les aspects de l'administration, et les agents financiers ont, ou bien estimé que leurs fonctions n'englobaient pas ces secteurs, ou bien se sont vu écarter de tout rôle dans ces domaines.

Si l'on veut en arriver à ce que la gestion des fonds publics fasse l'objet de meilleurs comptes rendus, comme le préconise le présent Rapport, il faut modifier le rôle des fonctionnaires supérieurs des finances des ministères.

On devrait charger les fonctionnaires supérieurs des finances des ministères de:

- *fournir des services de rapports financiers, budgétaires et comptables;*
- *veiller à ce qu'il existe des contrôles financiers suffisants pour tous les actifs et les opérations financières;*
- *conseiller et seconder les sous-chefs et leur personnel sur toutes les questions qui ont trait à la gestion et au contrôle financiers;*
- *préparer, surveiller et contrôler les affectations budgétaires par l'analyse des rapports financiers, et vérifier la valeur des méthodes de préparation de ces rapports; et*
- *fournir une direction et une orientation techniques à tout le personnel des ministères responsables de ces tâches. (9.29)*

39. Nomination des agents financiers (paragraphe 9.30 à 9.35) - C'est au sous-chef qu'il appartient de veiller à ce que les systèmes de gestion et de contrôle financiers de son ministère soient satisfaisants. Toutefois, d'autres organismes qui auraient à compter sur les agents financiers devraient avoir l'assurance de pouvoir se fier au travail de ceux-ci et aux données qu'ils fournissent. Les sous-chefs devraient avoir le droit de désigner leurs

conseillers. Néanmoins, la nomination d'un fonctionnaire supérieur des finances ayant la confiance de ceux qui sont les plus aptes à évaluer sa compétence en matière financière, ne diminue en rien l'autorité du sous-chef; au contraire, elle fournit à celui-ci un meilleur moyen de s'acquitter de ses responsabilités.

La Commission de la Fonction publique ne doit nommer des fonctionnaires supérieurs des finances dans les ministères qu'après consultation avec les organismes centraux appropriés, pour s'assurer qu'on reconnaît les qualités et le rendement des personnes recommandées par les sous-chefs. La nomination d'autres agents financiers ne doit se faire au sein des ministères qu'après une consultation semblable avec les fonctionnaires supérieurs des finances. (9.35)

Besoin d'une direction centrale plus ferme (Chapitre X)

40. Consolidation des responsabilités centrales (paragraphe 10.1 à 10.36) - La Loi sur l'administration financière confie au Conseil du trésor la responsabilité première d'assurer une gestion et un contrôle financiers suffisants dans les services de l'État.

En 1973, le Conseil publiait le Guide d'administration financière à l'intention des ministères et organismes du gouvernement du Canada. Ce Guide fournit aux ministères d'excellentes directives qui, si elles étaient respectées, remédieraient à un bon nombre des lacunes du contrôle financier signalées dans le présent Rapport. En 1974, le Secrétariat a entrepris de vérifier dans quelle mesure les ministères respectaient le Guide, ce qui eut pour effet d'encourager l'adoption de mesures propres à améliorer le contrôle financier. Toutefois, on n'a pas fait grand-chose pour accroître l'efficacité du processus d'affectation des ressources de manière que les budgets puissent être contrôlés conformément aux modes préconisés dans le Guide.

Peut-être était-il difficile d'intervenir dans d'autres secteurs en raison du chevauchement des responsabilités que la loi attribue expressément au ministère des Approvisionnements et Services et au ministère des Finances.

Le secteur des Services du M.A.S. fournit, sur demande, divers services aux ministères, notamment le traitement électronique des données, la comptabilité, la vérification des comptes et autres services d'ordre financier. Dans l'exercice de ce rôle, il peut arriver que le M.A.S. découvre des pratiques ministérielles contraires aux instructions du Parlement et du Conseil du trésor, mais, en tant qu'organisme de services, il n'est pas en mesure d'y mettre un terme ni de les signaler.

Le Ministre des Approvisionnements et Services cumule en outre les fonctions de Receveur général du Canada. Son ministère a la responsabilité directe des entrées et sorties de caisse du Fonds du revenu consolidé ainsi que des comptes centraux du Canada, y compris la préparation des Comptes publics. Cependant, la loi assigne au Ministre des Finances la responsabilité de gérer le Fonds du revenu consolidé et d'établir la forme des Comptes publics; elle lui assigne également la responsabilité des comptes tenus à l'égard des actifs et

des passifs directs et éventuels. Les comptes reliés aux dépenses, aux revenus et aux autres paiements versés au Fonds du revenu consolidé ou sur lequel on les prélève sont assujettis à la réglementation du Conseil du trésor. Ainsi trois ministères se partagent la responsabilité de la gestion et du contrôle financiers.

L'étude révèle bien des faiblesses dans la gestion et le contrôle financiers, notamment:

- l'existence de mesures ministérielles qui tendent à affaiblir l'effet de la décision prise en 1970 d'axer le Budget des dépenses et les Comptes publics sur les programmes des ministères afin de fournir au Parlement et au public des renseignements plus utiles;
- l'existence de systèmes de contrôle budgétaire inefficaces; et
- l'existence de systèmes de rapports financiers n'ayant guère de valeur aux yeux de la plupart des gestionnaires.

Bien des ministères se sentent empêchés de prendre des mesures plus efficaces en raison des responsabilités attribuées aux organismes centraux.

Toute solution exige que la manière dont on assigne les responsabilités centrales soit précisée plus clairement de façon à ce que les responsables puissent prendre des dispositions efficaces.

Toutes les recommandations du Rapport visent à l'amélioration des contrôles financiers. Les plus importantes reconnaissent, explicitement ou implicitement, la nécessité de mettre sur pied un organisme central qui assurerait une direction d'ensemble. Il est évident que, si l'on veut des contrôles bien coordonnés et efficaces, il faut clarifier et, si possible, unifier les responsabilités suivantes:

- *recommander au gouvernement des politiques, des directives et des lignes directrices dans le domaine de la gestion et du contrôle financiers, et en fournir l'interprétation;*
- *donner des conseils au sujet de la forme du Budget des dépenses et des Comptes publics;*
- *évaluer les structures de programmes et d'activités des ministères, ainsi que les méthodes de mesure fondées sur les coûts, y compris d'autres systèmes de mesure étayant cette structure;*
- *approuver et surveiller le contrôle budgétaire des ministères, de même que leurs systèmes de rapports et de contrôle financiers;*
- *faire des analyses des écarts entre le rendement des services financiers prévus et réels;*
- *établir des normes applicables aux procédés de vérification interne au sein des ministères et organismes et en surveiller l'application;*
- *établir les pratiques servant de règle à l'établissement des états financiers et des Comptes publics du Canada; et*
- *aider la Commission de la Fonction publique à choisir et à former le personnel financier et à en orienter la carrière. (10.36)*

I INTRODUCTION

MANDAT ET PORTÉE DE L'ÉTUDE

1.1 Le 9 mai 1974, je faisais part aux ministères et organismes de mon intention d'effectuer une étude générale pour juger de la qualité de la gestion des finances et des contrôles financiers dans tous les ministères et organismes dont je suis chargé de vérifier les comptes. J'en ai exposé le détail dans mon Rapport annuel de 1974 où je précisais que les résultats de cette étude seraient incorporés à mon Rapport de 1975, ou y figureraient en annexe.

1.2 L'étude devait prendre deux ans. L'année dernière, elle a porté sur les ministères ainsi que sur un petit nombre de corporations de département figurant à l'Annexe B de la Loi sur l'administration financière. L'étude a visé vingt et un ministères et sept organismes. Cette année, elle scrute surtout les sociétés de la Couronne énumérées aux Annexes C et D de la Loi sur l'administration financière - pour lesquelles j'ai été nommé vérificateur - et certains autres ministères et corporations de département. Ce premier rapport traite donc de la gestion des finances et des contrôles financiers au sein des ministères. Il pourrait être utile de présenter en 1976 un rapport analogue qui compléterait les observations formulées dans le présent Rapport, une fois que tous les ministères, organismes et sociétés auront fait l'objet d'un examen. On prévoit que ce genre d'étude fera dorénavant partie intégrante de la fonction du bureau de l'Auditeur général, de sorte que chaque ministère et organisme dont je suis le vérificateur sera examiné périodiquement au cours d'un nombre d'années raisonnable.

1.3 Comme je l'annonçais dans mon Rapport de 1974, l'étude a porté sur:

- a) les lois et règlements, politiques, directives et lignes directrices du Conseil du trésor ayant trait à la gestion et au contrôle financiers, et la mesure dans laquelle les ministères et organismes s'y conforment;
- b) l'organisation et les méthodes financières des ministères et organismes, notamment les contrôles budgétaires, la comptabilité des revenus, des dépenses, de l'actif, du passif, des engagements et les systèmes de rapports financiers;
- c) l'intégration des techniques et méthodes comptables des ministères et organismes aux systèmes centraux;
- d) la mesure dans laquelle l'organisation et les méthodes financières sont contrôlées et vérifiées par des groupes de vérification interne ou opérationnelle;
- e) le genre, l'exactitude, l'opportunité, l'objet et l'utilisation des données financières et des rapports habituellement préparés;
- f) le degré de décentralisation découlant des recommandations de la Commission royale d'enquête sur l'organisation du gouvernement et leur incidence sur le contrôle financier global; et

- g) les tâches, responsabilités et fonctions des responsables et du personnel des services financiers et comptables, en particulier en ce qui a trait au système de contrôle financier et comptable et au rapport entre leurs fonctions et les organismes centraux financiers et comptables.

1.4 L'étude se poursuit avec le concours de cabinets d'experts-comptables publics du Canada. Seize cabinets d'experts-comptables ont détaché auprès de mon personnel certains de leurs associés et gestionnaires pour collaborer à ces analyses.

1.5 Nous avons fait parvenir un rapport au sous-chef de chaque ministère ou organisme qui, jusqu'ici, a fait l'objet d'un examen. L'annexe au présent Rapport fournit des détails sur les observations transmises à chacun des sous-chefs, et sur la suite que ceux-ci leur ont donnée. Le bureau de l'Auditeur général surveillera l'application des mesures proposées par les sous-chefs pour établir que les situations dont on a signalé les anomalies sont réellement corrigées. Des rapports subséquents signaleront au Parlement les cas où les mesures prises par les ministères ne constituent pas une rectification satisfaisante des points mentionnés dans les observations.

1.6 Diverses faiblesses relevées au cours de l'examen de certains ministères ou organismes découlent, semble-t-il, de lacunes inhérentes aux systèmes appliqués dans l'ensemble des services de l'État ou aux organismes centraux, ou encore des contraintes que ces systèmes imposent. Comme on ne pouvait normalement s'attendre que les sous-chefs prennent des mesures correctives unilatérales à cet égard, on n'a pas formulé de recommandation dans les rapports soumis aux ministères sur ces questions; cependant on leur a dit que les rapports qu'ils recevraient feraient l'objet d'une nouvelle analyse à l'échelle de toute l'administration fédérale. Le présent Rapport contient les résultats de cette analyse et, en outre, il examine en détail un certain nombre de problèmes communs dont traitent les rapports remis aux ministères. Il faut donc considérer que les observations contenues dans les rapports en question complètent celles qui figurent dans le corps du présent Rapport, ou sont modifiées par ces dernières.

GENÈSE

1.7 Mon Rapport de 1974 indiquait que l'étude avait été entreprise parce que le Bureau de la vérification craignait que les contrôles financiers et les contrôles comptables internes ne soient pas tout à fait suffisants dans les ministères et organismes dont je suis chargé de vérifier les comptes, et ce, pour les raisons suivantes:

- la croissance importante des opérations de l'État;
- la délégation considérable, aux ministères et organismes, des pouvoirs de gestion et de contrôle financiers, comme le recommandait la Commission Glassco, ce qui a abouti en 1969 à l'abolition du bureau du Contrôleur du trésor; et
- le recours sans cesse croissant au traitement électronique des données informatiques.

Il convient que le présent Rapport place dans une juste perspective la raison d'être des

recommandations de M. Glassco, ainsi que la nature des mesures prises par le gouvernement pour y donner suite, y compris leurs résultats.

Recommandations de la Commission Glassco

1.8 En 1962, la Commission Glassco déposait le premier des nombreux volumes qui renfermaient ses constatations et ses conclusions. Ce premier volume comportait deux exposés d'une importance particulière si l'on considère les observations formulées dans le présent Rapport: «un plan de gestion» et «la gestion financière». L'examen du premier de ces deux exposés, dont on reconnaît qu'ils ont influé sur une bonne partie de ce qui s'est produit par la suite dans les domaines liés à la gestion des finances et aux contrôles financiers, révèle que la Commission estimait que:

- même si, en principe, les ministres sont «responsables de tous les actes administratifs de leur personnel», en pratique les sous-chefs «ne peuvent échapper à la pleine responsabilité personnelle qui leur incombe dans la gestion des affaires courantes»;
- la structure du contrôle central exercé par le Conseil du trésor et le Contrôleur du trésor, requerrait une modification parce que «en dépouillant les ministères de l'autorité essentielle à la bonne gestion de leurs propres affaires, a émoussé chez eux le sens de la responsabilité»;
- une grande variété d'«outils» administratifs, y compris les «méthodes budgétaires et systèmes de comptabilité permettant de mieux contrôler la répartition des ressources financières et la détermination du rendement» n'ont pas été utilisés de façon systématique;
- une direction centrale plus efficace s'imposait, un certain nombre de moyens étant proposés pour permettre au Conseil du trésor de mieux jouer ce rôle;
- les services centraux répondent à un besoin, mais «celui qui fournit les services ne doit exercer aucun contrôle sur l'usager, sauf dans les strictes limites imposées par l'obligation qu'il a de tenir compte de considérations spéciales qui découlent de la politique générale du gouvernement»; et
- il faudrait tenir un plus grand compte des aptitudes administratives lorsqu'il s'agit de nommer des personnes à certains postes de commande, en faisant en sorte que le secrétaire du Conseil du trésor conseille le Premier ministre sur la nomination des sous-chefs, et en pourvoyant aux postes de chef de l'administration financière et chef du personnel des ministères «sous réserve de l'approbation du Conseil du trésor».

1.9 Le rapport sur la gestion financière proposait plusieurs manières dont le Conseil du trésor pourrait jouer son rôle central plus efficacement et recommandait la suppression des contrôles moins efficaces, sinon nuisibles, exercés par le Contrôleur du trésor et, dans une certaine mesure, par le Conseil du trésor. Il fallait, pour en arriver à une meilleure gestion centrale

- mettre davantage en évidence les répercussions financières des programmes et des activités des ministères de façon à pouvoir mieux évaluer le rendement de ceux-ci;

- faire des prévisions budgétaires à plus long terme et les mieux préparer;
- publier, sur les questions financières et administratives, non plus des règlements détaillés, mais des principes directeurs; et
- obtenir l'approbation du Conseil du trésor pour la nomination du fonctionnaire supérieur des finances de chaque ministère et organisme.

Étroitement liées à ces propositions, certaines recommandations visaient à améliorer l'information justificative que les ministères doivent fournir au Parlement en ce qui concerne les prévisions de dépenses inscrites au Budget des dépenses et l'analyse rétrospective qu'en donnent les Comptes publics.

1.10 Ainsi, on peut voir que les recommandations du rapport Glassco se présentaient en deux volets. Le premier, dont on se souvient généralement mieux et qui a été plus entièrement réalisé, proposait de conférer aux sous-chefs un pouvoir accru; le second, dont une large partie du présent Rapport se préoccupe, tendait à permettre davantage au gouvernement et au Parlement d'obliger les sous-chefs à rendre convenablement compte de ce pouvoir accru.

Mise en pratique des recommandations

1.11 Au cours des années 60, le gouvernement a appliqué la plupart des recommandations du rapport Glassco, tout en en modifiant quelques-unes:

- le secrétaire du Conseil du trésor a été investi d'un pouvoir accru à titre de sous-chef, et le Secrétariat est devenu un ministère distinct, dont le rôle fut renforcé;
- un certain nombre de mesures ont été prises pour améliorer le processus budgétaire en prolongeant la période visée et en l'axant davantage sur les programmes;
- certaines directives générales touchant la gestion financière ont été émises et divers règlements détaillés ont été abrogés ou modifiés;
- aucun des pouvoirs de l'ancien Contrôleur du trésor, qui limitaient l'autorité financière des sous-chefs, n'a été conféré à l'organisme de service central qui lui a succédé, c'est-à-dire le ministère des Approvisionnements et Services; toutefois, le titulaire de ce portefeuille étant devenu le Receveur général, son ministère a continué à assumer d'importantes responsabilités financières centrales; et
- les ministères ont pris à leur service bon nombre des employés du Contrôleur du trésor et ont adopté différentes mesures pour améliorer leurs mécanismes de gestion financière.

La situation actuelle et les pratiques en cours seront exposées et analysées dans diverses sections du présent Rapport.

Autres éléments qui influent sur la gestion et le contrôle financiers

1.12 Pendant les années 60 et au début de la décennie suivante, un certain nombre d'autres facteurs ont influé sur l'évolution de la gestion et du contrôle financiers au sein de l'administration fédérale. En voici quelques-uns:

- le fait que les dépenses du gouvernement ont presque quadruplé depuis le rapport Glassco, et la prépondérance qu'on a accordée en conséquence dans le processus d'affectation des ressources au contrôle de la croissance plutôt qu'à l'amélioration de la gestion des ressources;
- la délégation généralisée des pouvoirs financiers et leur décentralisation, et, par voie de conséquence, le besoin de types de contrôle qui n'étaient pas nécessaires dans l'ancien système centralisé;
- l'essor de la rationalisation des choix budgétaires (R.C.B.) et du système d'information de la gestion (S.I.G.), ayant leurs propres groupes de défenseurs, a dispersé les efforts visant à parfaire les systèmes d'information financière du gouvernement et causé beaucoup de désillusions quant à l'utilité de l'information financière comme moyen d'améliorer la gestion;
- la pratique de plus en plus courante qui consiste à nommer aux postes de sous-chefs des personnes qui se sont distinguées comme conseillers en matière de politiques, mais qui ont rarement eu à assumer des responsabilités administratives du même ordre;
- l'inexistence, dans les régimes de personnel, de récompenses et de sanctions qui inciteraient les gestionnaires à travailler consciencieusement, comme le préconisait M. Glassco; et
- l'inaptitude à attirer et retenir le personnel voulu pour élaborer et maintenir de bons systèmes de gestion et de contrôle financiers.

C'est dans le cadre de cette rétrospective que s'inscrivent les observations et conclusions du présent Rapport.

II BUDGET DES DÉPENSES ET COMPTES PUBLICS

2.1 Le Budget des dépenses et les Comptes publics permettent au Parlement d'exercer un contrôle financier sur le gouvernement. Ce dernier présente au Parlement ses programmes de dépenses dans le Budget des dépenses; le Parlement entérine ces programmes par la suite, au moyen de lois portant affectation de crédits, puis le gouvernement rend compte au Parlement, par ses Comptes publics. L'aptitude du Parlement à jouer un rôle efficace dans le contrôle des deniers publics dépend directement de la nature, de la précision et de l'utilité des renseignements consignés dans ces documents.

2.2 La forme du Budget des dépenses et des Comptes publics influe sur l'efficacité du contrôle financier que le Parlement exerce sur le gouvernement et sur celle de la gestion et du contrôle financiers à l'intérieur des services gouvernementaux. Le rapport Glassco précise:

«Puisqu'ils sont les principaux documents financiers que publie le gouvernement du Canada, le Budget des dépenses et les Comptes publics devraient répondre aux normes les plus exigeantes dans le domaine des rapports financiers. L'activité du gouvernement est maintenant tellement complexe qu'il est difficile d'atteindre à la simplicité dans toute reddition de comptes au Parlement. Cependant, à cause de cette complexité, il est d'autant plus nécessaire de trouver des formules permettant de communiquer au Parlement les renseignements qu'il lui faut pour contrôler efficacement les dépenses publiques.»

2.3 Dans le présent chapitre, le Budget des dépenses et les Comptes publics sont examinés du point de vue:

- des modifications récentes de forme et de fond;
- des améliorations proposées; et
- des propositions tendant à modifier les responsabilités de leurs auteurs.

LE BUDGET DES DÉPENSES

2.4 Les programmes de dépenses sont présentés sous forme de budget principal des dépenses, document qui compte généralement plus de 1200 pages, et dont le Parlement est saisi peu avant le début de chaque année financière. Le gouvernement dépose périodiquement au cours de l'année des documents moins volumineux contenant des prévisions supplémentaires de dépenses, dans lesquels il demande au Parlement l'autorisation de faire des dépenses supplémentaires, bien qu'il ne s'agisse parfois que de simples transferts ou virements de crédit.

2.5 Le budget principal des dépenses donne le libellé des crédits proposés à l'égard de chaque programme, libellé qui figurera dans les lois portant affectation de

crédits. Tout aussi révélateurs de la nature du pouvoir accordé par le Parlement sont l'analyse des coûts du programme par activité et l'exposé de l'objectif et des sous-objectifs du programme. Ce sont peut-être les principaux moyens qu'a le Parlement d'apprendre et d'ordonner comment les crédits seront dépensés, puisque le libellé des articles de dépenses dans les lois portant affectation de crédits est général et souvent vague.

Modifications de forme

2.6 Sur l'initiative du Conseil du trésor la formule du Budget des dépenses a été modifiée à plusieurs reprises, au cours des dernières années:

- le nombre de crédits a été réduit au tiers, en regroupant généralement dans un même programme les divers crédits accordés précédemment à chaque direction de ministère et en regroupant les crédits distincts d'administration, d'investissement et de subvention à l'égard de chaque programme lorsque le montant affecté à chacun de ces postes était inférieur à \$5 millions;
- les listes détaillées et les traitements à l'égard des postes à plein temps et saisonniers ont été remplacées par un sommaire de l'effectif et des échelles de traitement;
- les 34 articles courants de dépense et les nombreux articles descriptifs spéciaux ont été regroupés en 13 articles;
- la liste des divers projets d'investissement s'est limitée à ceux d'au moins \$250,000;
- environ 90 pages de renseignements et de tableaux récapitulatifs ont remplacé un résumé d'une page;
- on a ajouté des renseignements pour étayer l'information par programmes et activités, notamment:
 - l'exposé des objectifs et la description des activités;
 - des tableaux fournissant, pour chaque activité, des détails d'ordre financier et reliés au personnel, y compris la valeur estimative des services gratuits fournis pour ou par chaque programme;
- les autorisations non budgétaires, auparavant présentées séparément, ont été mises en regard des autorisations budgétaires propres à chaque ministère; et
- les dépenses et les revenus prévus à l'égard de chaque fonds renouvelable et de certaines sociétés de la Couronne ont été inclus qu'il y ait eu ou non une demande d'affectation de crédits.

Modifications de fond

2.7 Le Parlement exerce son contrôle par le truchement du libellé des crédits affectés aux programmes désignés. D'abord incorporé au Budget des dépenses, ce libellé est ensuite repris dans les lois portant affectation de crédits. Il précise les conditions auxquelles les fonds du crédit peuvent être dépensés et permet certaines exemptions concernant les exigences générales de la Loi sur l'administration financière ou d'autres lois. Les montants précis qu'il est permis de dépenser à l'égard de chaque poste figurent dans les lois portant affectation de crédits.

2.8 Avant 1965, le Budget des dépenses était établi en fonction des responsabilités (de celui qui dépensait l'argent) et des articles de dépenses (les services ou les biens acquis avec l'argent dépensé). M. Glassco voulait qu'on précise plutôt pourquoi les fonds étaient requis. Selon sa recommandation:

«Toutes les initiatives du gouvernement apparaîtraient comme des programmes distincts. Les programmes de même nature seraient groupés sous un seul crédit. Les crédits s'appliquant à la même fonction seraient réunis dans le 'Sommaire par fonction et par service', et le total serait présenté dans le 'Sommaire par fonction'. De la sorte, le parlementaire serait en mesure d'analyser le Budget des dépenses de façon progressive, d'abord par les renseignements détaillés sur chaque programme, et ensuite par l'ensemble de totaux bien clairs.»

2.9 Avant le rapport Glassco, les divers crédits correspondaient souvent aux divisions organiques. Un grand ministère comptant plusieurs directions pouvait se voir attribuer un crédit d'exploitation distinct à l'égard de chacune de ses vingt divisions ou plus. Le libellé des crédits exposait de façon assez précise les exploitations auxquelles les fonds étaient affectés, même si les objectifs visés n'étaient pas énoncés de façon explicite: il précisait le nom de la division, faisait mention des lois pertinentes, présentait les articles de dépense exceptionnels et donnait des renseignements détaillés sur le personnel, les travaux d'équipement et les subventions.

2.10 Par exemple, avant 1965, la division des bestiaux du ministère de l'Agriculture était financée au moyen d'un crédit distinct. Selon les Comptes publics «ce crédit était accordé à l'égard des dépenses relatives a) à l'application de la Loi sur les animaux de ferme et leurs produits, b) à celle de la Loi sur les normes des produits agricoles, c) à la prestation d'un service de rapport de rendement des vaches laitières et de la volaille et d) à l'application des politiques d'aide aux reproducteurs.» De plus, on y désignait les rubriques «Achat de bestiaux» et «Contributions destinées à l'amélioration des bestiaux» comme articles de dépense exceptionnels, cette dernière rubrique étant accompagnée d'une description où l'on faisait mention de «subventions de \$1,350 aux fermes d'élevage de chevaux», et l'on disait «que pour avoir droit à la subvention de \$250 par étalon, un propriétaire devait posséder ou contrôler trois étalons ou plus qui devraient servir une moyenne de 25 juments». Ce type de détail, peut-être parfois superflu, exposait avec une précision considérable le genre de dépenses que le Parlement autorisait lorsqu'il approuvait chaque crédit.

2.11 Le rapport Glassco recommandait de réduire le nombre de crédits pour faciliter la budgétisation par programmes et permettre une présentation moins volumineuse, plus simple et plus claire. Cette recommandation s'accompagnait toutefois d'une autre, laquelle préconisait que l'on donne des détails par «programmes d'activité» pour chaque crédit. M. Glassco prévoyait qu'un exposé plus clair des raisons des dépenses et la présentation de renseignements plus utiles réduiraient la multiplicité des crédits et fourniraient au Parlement un meilleur aperçu des plans et des opérations, tout en donnant plus de souplesse aux ministères.

2.12 À partir de 1965, les crédits ont été regroupés et affectés généralement aux directions de chaque ministère. La présentation détaillée des crédits demeurait la même qu'avant 1965, en attendant la mise en oeuvre des autres recommandations du rapport Glassco. Dans le Budget des dépenses de 1970-1971, la présentation détaillée de chaque crédit, qui existait avant 1965, a été abandonnée et remplacée par les tableaux des activités et par l'exposé des objectifs et la description des programmes.

2.13 Prenons, pour exemple, la division des bestiaux dans le Budget des dépenses de 1970-1971: tous les renseignements fournis au cours des années précédentes ont été supprimés et remplacés par une présentation des activités qui ne mentionne même pas la division des bestiaux comme poste distinct au sein du Programme de la production et de la mise en marché. Les frais de la division des bestiaux et d'environ quinze autres divisions de la direction de la production et de la commercialisation ont été répartis en fonction des activités, nouvellement définies, du Programme de la production et de la mise en marché, qui renfermait les rubriques suivantes: Administration, Services de soutien, Maintien du revenu agricole, Commercialisation, Production, Information et vulgarisation, Lutte contre les maladies et autres fléaux de l'agriculture, Surveillance des champs de course et Inspection des viandes.

2.14 M. Glassco a indiqué (voir le Document A, pages 33 et 34) le genre des divers renseignements qui devraient figurer au Budget des dépenses et a cité, à titre d'exemple, la direction des services de la marine du ministère des Transports. Le Document B (pages 35 et 36) donne un spécimen du Budget des dépenses de 1970-1971 avec les révisions qui ont été réellement apportées. Il renferme un exposé des objectifs du programme, un résumé plus succinct des activités et des renseignements sur les coûts réels de l'année précédente. En 1971-1972, comme l'indique le Document C, (pages 37 et 38) on apporta d'autres modifications importantes à la présentation, dans le Budget des dépenses, des renseignements concernant ce programme. Les activités énumérées dans les budgets précédents ont été ramenées de 16 à 4, ce qui constituait une réduction importante des renseignements donnés sur les étapes de réalisation des objectifs du programme.

DOCUMENT A - SECTION DÉTAILLÉE DU BUDGET PRINCIPAL DES DÉPENSES
PROPOSÉE PAR LE RAPPORT GLASSCO - EXPLOITATION
ET ENTRETIEN

BUDGET PRINCIPAL DES DÉPENSES, 1962-1963, COMPARÉES AUX
DÉPENSES PRÉVUES POUR 1961-1962 - SERVICES-TRANSPORTS

Crédit no 402

Service de la marine - Exploitation et entretien (à voter).....\$ _____

Le Service des aides à la navigation est chargé du fonctionnement et de l'entretien des phares, des feux, des bateaux-phares, des sirènes de brume, des bouées et des balises des régions côtières, des voies d'eau intérieures et de celles des Grand lacs. Les aides en question se composent de 4 bateaux-phares, de 3,022 feux de types divers, de 1,259 bouées lumineuses et bouées à signaux, de 428 sirènes de brume et de 10,449 autres aides flottantes diverses.

On prévoit l'exploitation quotidienne et l'entretien ininterrompu des divers canaux englobant le réseau de canaux secondaire, ce qui comprend 110 écluses et des ouvrages connexes comme des barrages d'alimentation et des déversoirs, des bâtiments, des routes, 109 ponts amovibles, de nombreux ponts fixes, des bassins, des quais et des biefs. Le réseau comprend les canaux Rideau, Trent, Murray, Carillon-Grenville, Chambly, Sainte-Anne, Saint-Ours, Canso et Saint-Pierre.

On prévoit des services de pilotage dans les régions qui ressortissent au ministre en vertu de la Loi sur la marine marchande du Canada.

<i>Détail</i>	<i>Estimations 1962-63</i>	<i>Prévisions 1961-62</i>	<i>Augmen- tation ou (Diminution)</i>
<i>Programme par forme d'activité</i>	\$	\$	\$
Aides à la navigation:			
Enlèvement des entraves.....	—	—	—
Réparation des quais.....	—	—	—
Agences.....	—	—	—
Canaux:			
Nouvelle-Ecosse.....	—	—	—
Québec.....	—	—	—
Rideau.....	—	—	—
Trent et Murray.....	—	—	—

Districts de pilotage:

Saint-Jean (Terre-Neuve).....

Labrador.....

—

—

—

—

—

—

Coût total du programme.....

—

—

—

Comprenant:

Traitements et salaires..... (-)_

(-)_

(-)_

Autres dépenses.....

Moins: Recouvrements d'autres
ministères ou organismes....

—

—

—

—

—

—

Moins: Revenus connexes.....

—

—

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—

Coût total du programme.....

—

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DOCUMENT B - RENSEIGNEMENTS DÉTAILLÉS PRÉSENTÉS DANS LE BUDGET
PRINCIPAL DES DÉPENSES DE 1970-1971 - EXPLOITATION
ET ENTRETIEN

PROGRAMME DES SERVICES DE LA MARINE - TRANSPORTS

OBJECTIF

Aider le commerce par eau en prenant les dispositions nécessaires pour l'apport d'installations et de services devant servir à promouvoir un trafic maritime efficace et sans danger.

SOUS-OBJECTIFS

Établir les bases essentielles à la création de bons rapports en ce qui concerne les caractéristiques maritimes de la navigation commerciale;
Déterminer les besoins et assurer la gestion des installations des voies fluviales et des installations terminales dans les limites assignées au Ministère par le gouvernement.

DESCRIPTION DU PROGRAMME

Administration—Administration des agences et régions, y compris les bureaux du sous-ministre adjoint,

Aides à la navigation—Installation, exploitation et entretien des aides à la navigation maritime; application de la Loi sur la protection des eaux navigables et des articles pertinents de la Loi sur la marine marchande du Canada.

Ports et biens—Administration des ports nationaux, y compris, en particulier, les rapports du Ministère avec les Commissions de port locales et application des lois pertinentes.

Canaux—Entretien et amélioration des canaux de navigation: Trent-Murray et Rideau, en Ontario; Carillon, Sainte-Anne, Saint-Ours et Chambly, au Québec; St. Peters et Canso, en Nouvelle-Ecosse.

PROGRAMME PAR ACTIVITÉ

Activité	Crédits demandés 1970-1971	Dépenses prévues 1969-1970	Différence	Dépenses réelles 1968-1969
Administration.....	—	—	—	—
Aides à la navigation.....	—	—	—	—
Ports et biens.....	—	—	—	—
Canaux.....	—	—	—	—
Recherche et perfectionnement hydrauliques.....	—	—	—	—
Contrôle de la circulation maritime.....	—	—	—	—
Chenaux maritimes du Saint-Laurent et du Saguenay.....	—	—	—	—
Ravitaillement arctique.....	—	—	—	—
Collège de la Garde côtière.....	—	—	—	—
Déglaçage et escorte.....	—	—	—	—
Recherches et sauvetage.....	—	—	—	—
Services de navires pour d'autres programmes gouvernementaux.....	—	—	—	—
Navires météorologiques.....	—	—	—	—
Construction navale.....	—	—	—	—
Services nautiques.....	—	—	—	—
Services de pilotage.....	—	—	—	—
Inspection des navires à vapeur.....	—	—	—	—
	—	—	—	—
Moins: Produits et recettes à valoir sur le crédit.....	—	—	—	—
	—	—	—	—
Total des crédits.....	—	—	—	—
	—	—	—	—
À Ajouter: Services fournis par d'autres ministères.....	—	—	—	—
Locaux fournis par le Ministère.....	—	—	—	—
	—	—	—	—
Coût total du programme.....	—	—	—	—

DOCUMENT C - RENSEIGNEMENTS DÉTAILLÉS PRÉSENTÉS DANS LE BUDGET
PRINCIPAL DES DÉPENSES DE 1971-1972 - EXPLOITATION
ET ENTRETIEN

PROGRAMME DES TRANSPORTS PAR EAU - TRANSPORTS

OBJECTIF

Fournir des installations et favoriser le développement optimal du transport maritime, en tenant compte de la protection de l'environnement, autant que possible contre remboursement.

DESCRIPTION DU PROGRAMME

Administration—Le bureau de l'administrateur, l'Administration canadienne des transports par eau, son personnel de soutien fonctionnel ainsi que ses administrations régionales et de district.

Installations portuaires—Administration des ports publics désignés et des autres biens maritimes du gouvernement fédéral et lois relatives aux commissions de port locales.

Installations relatives aux routes maritimes—Établissement et entretien d'un service de soutien à bord de navires et à terre, dans les voies navigables et les approches côtières du Canada, pour favoriser l'acheminement sûr et efficace du trafic maritime.

Réglementation maritime—Élaboration et mise en application de lois, de règlements et de normes pour assurer l'acheminement sûr et efficace du trafic maritime, et enquêtes sur les accidents maritimes.

PROGRAMME PAR ACTIVITÉ

Activité	Crédits demandés 1971-1972	Dépenses prévues 1970-1971	Différence	Dépenses réelles 1969-1970
Administration.....	—	—	—	—
Installations portuaires.....	—	—	—	—
Installations relatives aux routes maritimes.....	—	—	—	—
Réglementation maritime.....	—	—	—	—
	—	—	—	—
Moins: Produits et recettes à valoir sur le crédit.....	—	—	—	—
Total des crédits.....	—	—	—	—
À ajouter:				
Services fournis par d'autres ministères.....	—	—	—	—
Locaux fournis par le Ministère.....	—	—	—	—
Coût total du programme.....	—	—	—	—

Efficacité des modifications

2.15 Le Budget des dépenses de 1970-1971 a été établi selon la forme et conformément aux principes de la rationalisation des choix budgétaires, (R.C.B.), auxquels le gouvernement a souscrit. Ces principes insistent sur la détermination précise des objectifs de chaque programme et sur l'analyse des données financières en fonction des avantages à tirer de la dépense des fonds demandés.

2.16 Dans la nouvelle formule du Budget des dépenses, l'exposé des objectifs peut être considéré comme un guide des dépenses légitimement imputables à un crédit, qui s'accompagne d'une description détaillée du programme par activité; toutefois, ces éléments n'ont aucune valeur législative puisqu'ils ne sont pas repris dans les lois portant affectation de crédits. Le libellé des crédits qui figure dans ces lois est stéréotypé et offre peu d'information; il n'a pas la précision caractéristique d'une loi bien rédigée.

2.17 Le Guide de planification, programmation et budgétisation (Rationalisation des choix budgétaires) publié par le Conseil du trésor en 1969 porte que les objectifs des programmes doivent se conformer aux critères suivants:

- «a) les objectifs d'un programme doivent être compatibles entre eux;
- «b) ils doivent pouvoir se traduire immédiatement par des bénéfices précis, de préférence des bénéfices qui se prêtent à une évaluation quantitative;
- «c) ils doivent être formulés de manière à favoriser l'étude de secteurs d'activité différents, mais possibles, c'est-à-dire que l'objectif ne doit pas définir la méthode;
- «d) ils doivent être définis avec assez de précision pour permettre d'identifier tout secteur d'activité d'un programme qui ne contribue pas à atteindre les objectifs de ce programme; et
- «e) ils doivent être compatibles avec les attributions du ministère énoncées dans les lois qui régissent ses fonctions.»

2.18 Un examen du Budget des dépenses indique clairement que ces critères sont rarement respectés. Dans la plupart des cas, les objectifs et les sous-objectifs des programmes sont exposés de façon tellement générale:

- qu'ils ne peuvent être utilement contestés;
- qu'ils donnent à un ministère toute latitude de prendre à peu près n'importe quelle initiative qui relève de son domaine;
- qu'ils ne constituent pas une indication claire de l'objet des programmes pour les responsables de l'examen du budget, du contrôle budgétaire ou des rapports financiers;
- qu'ils causent des problèmes à ceux qui doivent vérifier si les dépenses se font conformément au dessein manifeste du Parlement;
- qu'ils ne révèlent pas les résultats escomptés de la dépense des fonds; et
- qu'il est impossible d'évaluer avec précision, sur la foi de l'énoncé, ce que coûteront les divers moyens employés pour réaliser les objectifs établis.

2.19 Le Budget des dépenses actuel semble indiquer que le gouvernement applique les principes de la R.C.B., mais tel n'est pas vraiment le cas vu l'absence de données quantitatives essentielles sur les coûts et les bénéfices. En fait, on donne peu de détails sur ce que les responsables des programmes font réellement, sur ceux à qui ces programmes profitent, ou sur les objectifs précis que l'on cherche à réaliser.

2.20 Les renseignements sommaires fournis dans le Budget des dépenses ont eux aussi une valeur limitée. La présentation des coûts des programmes des ministères par «fonctions», «sous-fonctions» et «programmes fonctionnels» est assez arbitraire et peut induire en erreur, étant donné qu'il y a plus d'une bonne manière d'analyser les coûts. Par exemple, les activités du ministère de l'Agriculture reliées à l'inspection des viandes peuvent se classer dans les «sous-fonctions» dites Protection des personnes et des biens - Services aux consommateurs tout aussi bien que dans les «sous-fonctions» appelées Expansion économique et soutien - Industrie primaire où on les retrouve présentement.

2.21 Il existe diverses façons d'analyser les coûts à l'intérieur des programmes. On peut en trouver des exemples dans le Budget des dépenses, là où les activités sont réparties selon les coûts des domaines que voici:

- services d'exploitation ou services d'administration ou de soutien;
- marchandises, produits ou domaines posant des problèmes;
- secteurs de la population bénéficiant du programme; et
- ressources à acquérir.

2.22 Dans de nombreux ministères, cependant, la structure actuelle des activités constitue soit un simple regroupement des coûts de l'organisation, soit une estimation imprécise des coûts fondée sur des critères souvent difficiles à justifier sans respect des orientations structurelles. Les ministères n'ont jamais tellement tenu à mettre au point, pour leurs activités, des structures qui permettraient d'établir des rapports quantitatifs entre les coûts et les résultats correspondants. En omettant de révéler que les renseignements sur les activités qui sont consignés dans le Budget des dépenses reflètent vraiment les coûts selon la structure de l'organisation, les ministères demeurent libres de signaler ceux-ci dans les Comptes publics lorsque certaines autres méthodes de coûts conviennent mieux à leurs fins.

Améliorations proposées

2.23 Bien qu'une certaine normalisation s'impose, il semble impossible d'élaborer un système de présentation uniforme et rigide qui réponde aux besoins du Parlement dans tous les cas. La forme actuelle du Budget des dépenses montre qu'une normalisation trop poussée entraîne une perte importante de renseignements.

2.24 Le résumé des programmes présenté par «fonctions», «sous-fonctions» et «programmes fonctionnels» bien définis, constitue un relevé des emplois prévus des crédits. C'est une technique utile qu'il convient de conserver, mais qui devrait peut-être prendre diverses autres formes, de manière à permettre l'analyse des dépenses du gouvernement sous des angles différents. Par exemple, les coûts d'un programme qui contribue à la réalisation de plusieurs objectifs du gouvernement pourraient être rattachés à chacun de

ceux-ci, afin de présenter sous une forme plus complète les efforts que déploie le gouvernement dans chaque secteur.

2.25 Dans le cadre d'un programme donné, il peut exister plusieurs façons de présenter au Parlement des renseignements de nature financière. Pour chaque programme, il faut rechercher des formes de présentation qui offriraient au Parlement une meilleure base sur laquelle se fonder pour définir quels comptes le gouvernement doit lui rendre et pour exercer un contrôle financier au moyen des affectations de crédits. À noter qu'une étude analogue faite au Royaume-Uni, il y a plusieurs années, n'a entraîné aucune réduction du nombre des crédits ni des subdivisions qui les étayent. La nouvelle présentation rattache les rubriques utilisées à des fins de planification économique à celles qui servent à la gestion financière, et montre bien qu'il est préférable de ne pas pousser la normalisation à l'extrême.

2.26 Voici des modifications que l'on pourrait apporter à la formule du Budget des dépenses pour assurer un meilleur contrôle parlementaire et rendre aussi plus manifeste la destination des deniers publics:

- un programme de \$500 millions comportant quatre activités est présenté actuellement de la même manière qu'un programme de \$5 millions comportant le même nombre d'activités. La ventilation plus détaillée de certains grands programmes et, inversement, la suppression des détails dans le cas de certains programmes moins importants engendreraient un document beaucoup plus utile; cependant la taille du programme ne devrait pas être l'unique facteur déterminant; il faudrait également tenir compte de la nature du programme;
- pour expliquer les besoins en ressources, il serait avantageux d'insérer dans le Budget des dépenses des articles de dépense précis et mieux définis plutôt que les articles courants qui tendent à voiler des renseignements utiles. On peut obtenir des données globales sur les besoins en ressources du gouvernement, par l'analyse des données que conservent normalement les ministères;
- si l'on établissait une distinction entre les coûts découlant directement de l'exercice des responsabilités nommément prescrites par une loi et ceux reliés aux responsabilités ne reposant pas sur une loi, le Parlement serait mieux renseigné sur ce que coûte l'application de certaines lois;
- il serait possible d'accroître l'utilité des exposés en y expliquant les modifications apportées par rapport à l'année précédente, ainsi que toutes pratiques comptables inusitées;
- les objectifs pourraient être exposés dans le Budget des dépenses sous l'angle des exploitations à exécuter;
- les activités pourraient être exposées en fonction des résultats quantitatifs escomptés, là où c'est possible;
- on pourrait présenter isolément les dépenses en capital, les subventions et les contributions quand il n'y a pas lieu d'indiquer les opérations poursuivies, dans le cas, par exemple, des immobilisations d'usage général; et

- les coûts et les revenus en comptes d'ordre ou sous forme de notes pourraient être attribués de façon plus précise, de manière à révéler le coût net de chaque activité. À l'heure actuelle, seuls les débours de caisse sont analysés par activité; les coûts des services fournis sans frais et les revenus connexes ne sont révélés que par programme.

2.27 Peut-être serait-il avantageux d'apporter d'autres modifications à la structure des crédits, à la condition d'améliorer de beaucoup la qualité des données de soutien. Le principe actuel qui attribue plus d'un crédit à la plupart des ministères peut réduire, dans une certaine mesure, la concurrence entre les services d'un même ministère pour obtenir des fonds, mais il peut retarder aussi la divulgation de renseignements financiers utiles. Par exemple, le ministère de l'Agriculture reçoit, selon un certain ordre de priorité, des crédits distincts à l'égard des rubriques Administration, Recherches, Production et commercialisation, Hygiène vétérinaire et Commission canadienne des grains, mais il serait commode aux parlementaires intéressés dans les données financières d'un circuit alimentaire particulier de connaître les renseignements rassemblés actuellement pour effectuer l'analyse interne des coûts au ministère en regard des produits agricoles.

2.28 Sauf quelques importantes exceptions, les libellés et les montants qui figurent dans le Budget des dépenses à l'égard des ministères sont, à toutes fins utiles, fixés environ six mois avant le début de l'année financière. Le jour de la présentation du Budget des dépenses au Parlement, la plupart des ministères savent que ce document ne reflète pas les importants changements qui sont venus, dans l'entretemps, modifier les résultats financiers de l'année en cours et les perspectives de l'année visée par le Budget des dépenses. Il faudrait trouver un moyen de mettre à jour les données du Budget des dépenses juste avant de le déposer à la Chambre.

2.29 Le Budget des dépenses ne met pas suffisamment en lumière certaines dispositions spéciales ou modifications du Budget des dépenses de l'année précédente pour attirer sur elles l'attention du Parlement. Ces modifications par rapport à l'année antérieure pourraient être mises en évidence, comme on le fait pour les documents produits à l'appui d'un projet de loi modifiant une autre loi.

2.30 Le Budget des dépenses pourrait renfermer certains autres renseignements supplémentaires:

- un résumé succinct des principales modifications intervenues dans les lois ou dans les conditions économiques générales dont les prévisions n'ont pas tenu compte. Par exemple, une lettre de transmission accompagnant le budget principal des dépenses de 1974-1975 aurait pu indiquer que n'y figuraient pas les coûts prévus du nouveau Programme d'indemnisation visant les importations de pétrole;
- les hypothèses importantes qui sont à la base de la prévision des coûts comme la manière de parer aux variations prévues des prix;
- les hypothèses économiques sur lesquelles se fondent les prévisions de programmes sujets à d'importantes variations de coûts, comme le Compte de stabilisation des prix agricoles, les comptes de la Société centrale d'hypothèques et de logement ou de l'Assurance-chômage;

- une prévision des crédits inutilisés et qui ne se périment pas, et qu'il sera possible de reporter à l'année suivante.

Responsabilité des améliorations

2.31 Les modifications de fond et de forme apportées au Budget des dépenses n'ont pas donné les résultats escomptés. Par le passé, le Secrétariat du Conseil du trésor a pris l'initiative de proposer des changements. D'importantes modifications ont été mises à l'essai par un nombre restreint de ministères, et le comité des Comptes publics avait été prévenu des changements majeurs avant leur mise en oeuvre. Cette mesure a pu entraîner une normalisation plus grande, mais qui ne tenait pas suffisamment compte de l'application particulière de ces changements à chacun des ministères. Malgré la mise en oeuvre des recommandations, malgré les modifications apportées aux prévisions budgétaires d'une année à l'autre, le Budget des dépenses n'est pas encore un ouvrage assez au point pour permettre au Parlement de vraiment contrôler les finances du gouvernement.

2.32 En apportant ces modifications, le Conseil du trésor semble ne pas avoir accordé suffisamment d'importance au contrôle financier. Tout naturellement, le Secrétariat du Conseil du trésor s'est intéressé davantage aux problèmes d'affectations des ressources qu'à l'obligation du gouvernement de rendre des comptes. Cela aboutit à l'approbation de propositions budgétaires qu'il est impossible de chiffrer exactement ou de contrôler en comparant les dépenses réelles avec les dépenses envisagées.

2.33 On pourrait combler ces lacunes en exigeant que les ministères expliquent et justifient d'avance devant les comités de la Chambre des communes, chargés d'examiner le Budget des dépenses, toutes les modifications importantes qu'ils proposent d'apporter au volume ou à la nature des données qu'ils transmettent. Ces comités pourraient également consulter le Conseil du trésor, d'autres organismes centraux et le bureau de l'Auditeur général pour connaître les vues de ces derniers sur les propositions des ministères.

2.34 La forme et le contenu actuels du Budget des dépenses permettent difficilement de connaître l'intention précise qu'a le Parlement ou le gouvernement en affectant des fonds, et aux membres de mon personnel qui vérifient les crédits des ministères de s'assurer que les fonds sont bien utilisés aux fins voulues par le Parlement. Il est donc difficile pour mon Bureau de s'acquitter de la responsabilité qui m'est conférée en vertu de l'article 61(1) c) de la Loi sur l'administration financière, c'est-à-dire de signaler chaque cas où il a été remarqué «... qu'un crédit budgétaire a été dépassé ou a été affecté à une fin ou d'une manière non autorisée par le Parlement».

2.35 *Il faudrait se livrer à une étude approfondie de la forme du Budget des dépenses ainsi que des données que présentent les divers ministères et organismes à l'appui de leurs demandes de crédits, afin de déterminer les modifications nécessaires à une meilleure divulgation des détails et à un meilleur contrôle du Parlement et du gouvernement sur les dépenses ministérielles, par rapport aux crédits votés.*

COMPTES PUBLICS

2.36 Depuis 1961, les Comptes publics se composent de trois volumes:

- le volume I fournit un large éventail d'analyses des comptes du Canada, notamment l'état de l'actif et du passif, l'état des dépenses et des revenus exigés par la Loi sur l'administration financière, ainsi que plusieurs autres états sommaires; le détail de chaque crédit budgétaire voté par le Parlement; divers autres états exigés par la Loi ou autrement;
- le volume II présente des renseignements financiers par ministère ou organisme, reprend certains aspects du détail des affectations figurant au volume I et fait rapport des dépenses réelles par rapport aux détails donnés à l'appui dans le Budget des dépenses. Il contient en outre des renseignements divers sur certains soldes et transactions que le Parlement exige connaître; et
- le volume III renferme les états financiers des sociétés de la Couronne et d'autres sociétés où le gouvernement a investi des capitaux.

2.37 À la suite des recommandations du rapport Glassco, on a modifié les Comptes publics de 1965:

- en y introduisant la valeur estimative, par ministère, des services fournis ou reçus gratuitement;
- en y fournissant un état d'ordre des comptes à recevoir, par ministère et organisme;
- en y supprimant la liste des employés touchant un traitement annuel de \$8,000 ou plus et ayant droit à des frais de déplacement de \$500 ou plus; et
- en y supprimant la liste des paiements aux fournisseurs et aux entrepreneurs recevant \$10,000 ou plus.

Par suite des modifications apportées au Budget des dépenses de 1970-1971, d'autres changements sont intervenus dans les Comptes publics en 1971, quant au texte et à certains états.

Améliorations proposées

2.38 Étant donné le retentissement du Budget des dépenses sur les Comptes publics, tout changement apporté au Budget des dépenses par suite d'une étude aura automatiquement pour effet d'améliorer les Comptes publics. En outre, pour améliorer ceux-ci, il conviendrait aussi d'étudier certaines autres questions, comme celles dont traitent les paragraphes suivants.

2.39 Le volume I renferme actuellement des renseignements sommaires d'ordre général et tout ce qu'exige la Loi en fait de rapports particuliers. Les principaux états sont dispersés dans les sections 2, 9 et 10 du volume I. Quiconque n'en connaît pas le contenu ni exactement l'endroit où ils se trouvent aura du mal à les utiliser et à les relier les uns aux

autres. Le volume II présente certains renseignements supplémentaires sous une forme généralement analogue à celle du Budget des dépenses. De nombreuses données sur les dépenses figurant aux volumes I et II se répètent. En ce qui concerne les comptes de l'actif et du passif, les volumes I, II et III fournissent des renseignements détaillés sur l'autorisation et l'objet du compte, le solde et le détail des opérations inscrites dans les comptes, mais renferment peu de renvois à une information connexe.

2.40 Le rapport du Comité indépendant de révision sur les fonctions de l'Auditeur général du Canada comporte des recommandations visant à améliorer le contenu des Comptes publics. On y propose plus particulièrement de regrouper dans les Comptes publics les principaux états ci-après:

- l'état des dépenses et des revenus;
- l'état de l'évolution de la situation financière ou un état des opérations; et
- l'état de l'actif et du passif.

Étant donné que ces états diffèrent des états conventionnels du même nom produits dans le secteur privé, ils devraient s'accompagner d'une note explicative sur les méthodes comptables ayant servi à leur établissement.

2.41 Certaines autres modifications, que voici, pourraient améliorer la forme des Comptes publics:

- réduire la taille et simplifier le style du volume I, de manière à insister sur les états financiers sommaires du gouvernement canadien. Le détail des affectations de crédit devrait être supprimé et remplacé par des renvois au volume II. L'idéal serait un volume comparable, en quelque sorte, au double point de vue du style et de la lecture, au «Sommaire du Budget», mais avec plus de données précises et essentielles;
- incorporer au volume II tous les renseignements nécessaires pour rendre compte des pouvoirs accordés à chaque ministère et organisme en matière d'affectation des crédits. Ce volume devrait suivre le plus possible la disposition des matières du Budget des dépenses afin de faciliter l'examen, par le Parlement, de la responsabilité du gouvernement à son égard et l'exécution, par ce dernier, de l'obligation qui lui incombe en la matière; il devrait aussi présenter le maximum de détails sur les autorisations et les opérations inscrites dans les comptes non budgétaires et les comptes spéciaux. Les exposés descriptifs devraient chercher à expliquer de façon significative les principaux écarts constatés entre les prévisions budgétaires et les résultats obtenus, la corrélation, autant que possible, avec les données quantitatives sur les résultats des programmes. Il faudrait aussi trouver dans le volume II des renseignements sur certaines opérations, les mauvaises créances, les titres immobiliers, les subventions et les contributions mineures, et les marchés de services professionnels; et

- le volume III, qui continuerait de présenter les états financiers des sociétés de la Couronne, pourrait contenir un exposé descriptif des principaux changements survenus au cours de l'année à l'égard de chaque société, ainsi que des analyses sommaires de l'actif et du passif, des revenus et des dépenses, par groupes de sociétés. Toutes les sociétés qui appartiennent à la Couronne et qui ne figurent pas dans le volume III devraient y être mentionnées avec des explications appropriées sur leur nature particulière. Ce volume devrait présenter en outre un exposé récapitulatif des prêts et avances consentis aux sociétés de la Couronne actuellement énumérées dans le volume I des Comptes publics, ainsi que des résumés contenant des données essentielles, notamment le revenu brut, les résultats net d'exploitation, les soldes de trésorerie, l'état net des fonds de roulement et l'actif net.

2.42 En faisant concorder la date de présentation des rapports annuels des ministères, ainsi que leur contenu, avec les données que les ministères fournissent aux fins des Comptes publics, on en arriverait à ce que ces éléments soient préparés d'une façon uniforme et qu'ils complètent les Comptes publics en donnant le détail des coûts, des données quantitatives sur les résultats et des exposés descriptifs qui, pour des raisons d'espace, ne peuvent figurer dans les Comptes publics.

2.43 Les Comptes publics ne reflètent pas le Budget des dépenses à tous égards. Par exemple:

- ils ne regroupent pas les coûts par «fonction», «sous-fonction» et «programme fonctionnel» de façon aussi détaillée que dans le Budget des dépenses;
- le mode de présentation, dans les Comptes publics, des projets d'investissement ne facilite pas la comparaison avec le Budget des dépenses, où ils sont ventilés par postes;
- les données sur les revenus y sont plus globales; et
- les montants qui figurent dans les colonnes consacrées au Budget des dépenses, sous la rubrique des autorisations statutaires, ne sont pas les mêmes que ceux prévus au Budget des dépenses.

Étant donné que le détail du Budget des dépenses complète l'information plus restreinte que fournissent les lois portant affectation de crédits, pour ce qui est d'établir l'obligation qu'a le gouvernement de rendre compte de ces dépenses, il y aurait lieu de corriger ces incohérences et de mieux coordonner la préparation des Comptes publics avec celle du Budget des dépenses.

Responsabilité des améliorations

2.44 La Loi sur l'administration financière confère au Ministre des Finances l'autorité de décréter la forme sous laquelle seront préparés les Comptes publics. En pratique, c'est le Receveur général qui prépare les Comptes publics avec peu d'instructions de la part du Ministre. La forme du Budget des dépenses, dont l'établissement relève du

Conseil du trésor, influe directement sur les Comptes publics, puisque le Budget des dépenses constitue le fondement des crédits et prescrit une bonne part des détails supplémentaires devant être présentés par la suite.

2.45 Il semble y avoir peu de raisons, en pratique ou en principe, pour que le Ministre des Finances demeure responsable de la forme sous laquelle se présentent les Comptes publics. Le ministère des Approvisionnements et Services devrait continuer d'apporter son concours à la préparation des Comptes publics, mais sans être responsable de la forme et du contenu de ces Comptes. Cette responsabilité devrait incomber au même organisme central chargé de donner des conseils sur la forme et le contenu du Budget des dépenses de manière que les deux documents soient plus étroitement coordonnés.

2.46 *Un seul organisme central devrait être chargé d'établir la forme du Budget des dépenses et des Comptes publics de façon qu'on puisse rendre au Parlement des comptes plus satisfaisants et plus homogènes.*

III AFFECTATION DES RESSOURCES

3.1 Le présent chapitre ne se soucie pas tant de la sagesse des décisions prises concernant l'affectation des fonds disponibles que de la valeur et de la qualité de l'information sur laquelle se fondent ces décisions. Il faut que cette information soit formulée clairement et bien comprise si l'on veut que les gestionnaires puissent gérer et contrôler les fonds comme le souhaitent le Parlement et le gouvernement.

3.2 Le rapport Glassco renfermait un certain nombre de propositions visant à améliorer le processus d'affectation des ressources; il recommandait qu'on établisse le budget des ministères en fonction des programmes d'activité et que la haute direction des ministères et le Conseil du trésor élaborent des normes plus objectives d'analyse et de comparaison pour examiner ce processus. Il traitait aussi longuement des revenus non fiscaux et proposait que les ministères évaluent tous les ans le fonctionnement de tous les services fournis au public et fassent des recommandations en vue de maintenir un rapport approprié entre les revenus provenant de ces services et leur prix de revient.

3.3 La rationalisation des choix budgétaires (R.C.B.), qui a influé sur la nouvelle forme du Budget des dépenses adoptée en 1969, a modifié également les méthodes d'affectation des ressources; elle reconnaît que les ressources totales sont limitées et que le gouvernement doit établir des priorités qui en détermineront l'affectation.

3.4 Le processus d'affectation des ressources comprend maintenant quatre grandes étapes: l'établissement des priorités, les prévisions de programme, le Budget principal des dépenses et le Budget supplémentaire. L'établissement d'un ordre de priorité par le Cabinet vise à fournir un cadre pour les prévisions de programme. Ces dernières, ajoutées comme étape du processus en 1966, permettent au Conseil du trésor d'examiner les priorités des ministères et de fixer les objectifs avant la présentation officielle du Budget des dépenses. Le Budget principal des dépenses constitue la base des autorisations financières demandées au Parlement et précise les ressources qui seront nécessaires au cours de la prochaine année financière. Le Budget supplémentaire des dépenses résulte des changements apportés aux besoins des ministères pour l'année, changements qui entraînent des ajouts ou des rectifications à l'égard des montants annoncés dans le Budget des dépenses déjà déposé.

3.5 Les changements apportés au processus d'affectation des ressources visent à faciliter cette affectation en tenant compte des politiques définies par le gouvernement. Malgré les progrès réalisés à cet égard, il est évident qu'il subsiste des lacunes.

3.6 Le présent chapitre décrit les aspects pertinents du processus d'affectation des ressources, expose certains points forts et certaines faiblesses et propose des moyens d'amélioration, sous les rubriques suivantes:

- Communication des priorités et des objectifs gouvernementaux;
- Prévisions de programme et le Budget des dépenses;
- Revenus non fiscaux.

COMMUNICATION DES PRIORITÉS ET DES OBJECTIFS GOUVERNEMENTAUX

Processus actuel

3.7 La première étape de l'attribution des ressources est l'établissement des priorités générales par le comité du Cabinet chargé des priorités et de la planification, après examen des principaux problèmes auxquels fait face le gouvernement, et de leurs répercussions financières pour l'année à l'étude. Les objectifs sont formulés en termes généraux et ne sont pas classés selon leur ordre d'importance. Les décisions sont communiquées à tous les ministres ainsi qu'aux sous-ministres et sont ainsi portées à la connaissance des ministères. À l'avenir, les objectifs seront fixés à l'automne avant que les ministères établissent les prévisions de programme, mais cela ne se fait pas présentement.

3.8 À la mi-mars, environ douze mois avant le début de l'année budgétaire étudiée, le Cabinet réexamine ses priorités à la lumière des renseignements fournis par le ministère des Finances et le Secrétariat du Conseil du trésor au comité du Cabinet chargé des priorités et de la planification. Le ministère des Finances prépare un exposé du cadre fiscal qui renferme des extrapolations pour une période de quatre ans, à l'égard d'un certain nombre d'éléments comme les revenus, la croissance économique, la stabilité des prix et l'emploi. Cet exposé indique également la part convenable du produit national brut qui devrait revenir au gouvernement fédéral et recommande l'adoption de mesures fiscales propres à réaliser l'équilibre économique. L'extrapolation pour la période de quatre ans comporte des modifications touchant l'année financière qui vient de commencer (année en cours), des données très détaillées relatives à l'année suivante (année nouvelle) et des renseignements d'une nature plus générale en ce qui concerne les deux années suivantes.

3.9 Le Secrétariat du Conseil du trésor présente ses prévisions de dépenses pour l'année en cours, une projection des coûts relatifs à la poursuite, pendant l'année nouvelle et les deux années suivantes, des programmes en cours, des nouveaux programmes ou propositions approuvés par le Cabinet, et le montant des réserves jugées nécessaires pour parer aux dépenses imprévues. Le Secrétariat fait aussi connaître tous les nouveaux projets importants qu'il sait que les ministères et les organismes proposeront dans les prévisions de programme à venir.

3.10 Le Secrétariat du Conseil du trésor, le ministère des Finances et les divers ministères échangent des renseignements pendant la rédaction des documents devant être soumis au Comité du Cabinet chargé des priorités et de la planification. Par exemple, pour établir ses projections de dépenses, le Secrétariat du Conseil du trésor utilise les hypothèses économiques formulées par le ministère des Finances sur des questions comme l'indice des prix à la consommation, le produit national brut et le chômage. De plus, les analystes de programme du Conseil du trésor recueillent auprès des ministères des renseignements sur

des questions telles que les augmentations prévues du volume de travail, les subventions et les contributions, les paiements de transfert et les projets d'investissement.

3.11 En avril, le comité du Cabinet étudie les documents que lui ont fait parvenir le ministère des Finances et le Secrétariat du Conseil du trésor. À la suite de cette étude, un document du Cabinet est établi fournissant des conseils au sujet du plafond des dépenses et de l'évolution de la politique fiscale pour l'année nouvelle et les deux années suivantes. Ce document renferme aussi des lignes directrices précises à l'égard des dépenses que nécessite l'application de nouvelles politiques, ainsi qu'une orientation générale en ce qui concerne les priorités de financement des nouveaux programmes, et une décision à l'égard du montant des réserves nécessaires pour les dépenses imprévues et inévitables.

3.12 Tout au long de l'année, le Secrétariat du Conseil du trésor reçoit d'autres renseignements sur les modifications des priorités du Cabinet, étant donné qu'un membre de la direction des programmes, d'ordinaire le sous-secrétaire ou un secrétaire adjoint, assiste aux réunions du comité du Cabinet.

3.13 Les modes d'établissement des objectifs et des priorités varient d'un ministère à l'autre. Les hauts fonctionnaires d'un petit nombre de ministères communiquent officiellement soit leurs propres priorités, soit celles du gouvernement au personnel chargé de la préparation initiale des prévisions de programme. Le plus souvent, les priorités sont fixées au stade de l'examen interne des données relatives aux prévisions de programme ou bien seulement au moment de leur examen par le Conseil du trésor.

Application des priorités

3.14 L'imposition des priorités modifie les moyens d'exécution des activités ainsi que la nature ou le niveau de réalisation de divers services publics. Les ministères sont censés refléter dans leurs prévisions de programme les priorités et les objectifs établis par le Cabinet, mais, du fait que, faute de précision, les énoncés des priorités et des objectifs ne permettent pas de définir des programmes, les ministères formulent leurs propres hypothèses à l'égard des priorités selon les lignes directrices générales du Cabinet et l'ampleur des fonds disponibles.

3.15 Au moment de son adoption, le système de prévisions de programme visait à permettre aux gestionnaires des ministères de faire une planification à plus longue échéance et à fournir au Conseil du trésor un document de préorientation sur l'attribution probable des ressources. En pratique, de nombreuses prévisions de programme se fondent sur les budgets détaillés établis par les gestionnaires des divers ministères. Peu de ministères élaborent des projets de longue portée et beaucoup ne font pas de planification efficace à court terme. L'idée que les ministères se font des priorités et des objectifs généraux du gouvernement ainsi que de leurs propres priorités n'est pas portée assez clairement à la connaissance des gestionnaires avant que ceux-ci contribuent à l'établissement des prévisions de programme. Il s'ensuit que les prévisions de programme présentées au Secrétariat

du Conseil du trésor reflètent souvent l'ensemble des objectifs du moment établis par les divers gestionnaires plutôt qu'une réponse cohérente aux objectifs du gouvernement ou de la haute direction des ministères. Les gestionnaires ont tendance à faire hausser le plafond des dépenses. En l'absence d'objectifs et de priorités bien définis, ils n'ont guère de raison d'agir autrement. On consacre du temps à rédiger et à examiner des propositions qui n'aboutissent à rien, et certains programmes devant tenir compte des objectifs du gouvernement ne sont peut-être pas planifiés de manière à démarrer au moment opportun.

3.16 Pendant la période d'environ sept mois qui s'écoule entre la date de présentation des prévisions de programme et celle du Budget principal des dépenses, les objectifs et les priorités du gouvernement et ceux des ministères peuvent changer. Les nouvelles dépenses approuvées par le Cabinet ultérieurement peuvent être presque trois fois supérieures à celles qui sont autorisées au moment de l'examen des prévisions de programme. Ces dépenses correspondent aux demandes que les ministères soumettent pendant la période de deux ans qui sépare la date de présentation des prévisions de programme et la fin de l'année en cause.

3.17 Il est capital de communiquer les objectifs du gouvernement aux ministères à temps pour qu'on en tienne compte dans les prévisions de programme et le Budget des dépenses, étant donné que les objectifs gouvernementaux du moment doivent être complétés et interprétés par les ministères avant d'être appliqués par les gestionnaires chargés de la préparation détaillée du budget. L'étendue de cette information et le moment de sa communication dépendent de l'instant où un ministère décide de faire participer les gestionnaires subalternes à la préparation des demandes budgétaires. L'inaptitude d'un ministère à communiquer ses propres objectifs et priorités et ceux du gouvernement indique probablement que l'intervention de ses gestionnaires subalternes dans la préparation d'un budget détaillé est prématurée.

3.18 *Il faut faire connaître officiellement et à temps aux gestionnaires responsables des divers aspects de la planification financière les objectifs et priorités du gouvernement et du ministère, qui doivent en outre être suffisamment détaillés pour leur servir de guide.*

PRÉVISIONS DE PROGRAMME ET BUDGET DES DÉPENSES

Description des procédures

3.19 Le Guide d'administration financière du Conseil du trésor spécifie que: «La préparation des demandes relatives aux prévisions de programme devrait être centralisée (dans les ministères); en effet, elle vise à établir les niveaux de financement convenant à chaque programme, en tenant compte des fonds limités par rapport aux besoins.» En pratique, un assez grand nombre de ministères exigent que les gestionnaires de l'exploitation établissent des budgets détaillés qui serviront de base aux demandes relatives aux prévisions de programme présentées au Conseil du trésor.

3.20 Les prévisions de programme comportent deux volets: le budget A représente les coûts de la continuation, au même niveau de qualité, des programmes et des services existants: le budget B donne le coût des nouveaux programmes ou services ainsi que de toutes les améliorations apportées à ceux qui se réalisent pendant l'année en cours.

3.21 En décembre, soit environ quinze mois avant le début de l'année financière en cause, le Secrétariat du Conseil du trésor invite par lettre les ministères à lui soumettre leurs prévisions de programme. Ces lettres sont essentiellement les mêmes, mais certaines demandent parfois des renseignements complémentaires. Elles font connaître aussi toutes les modifications apportées aux méthodes de préparation et de présentation des demandes, modifications non mentionnées dans les publications du Secrétariat du Conseil du trésor sur l'attribution des ressources.

3.22 Les demandes relatives aux prévisions de programme décrivent les objectifs de chaque programme, analysent et justifient les dépenses prévues, par activité et par article courant de dépense. Le budget A s'établit sur une base d'accroissement, le Budget principal des dépenses de l'année en cours servant de point de départ au calcul des prévisions pour l'année nouvelle. On ne s'efforce à peu près jamais d'établir le budget à partir de zéro (c'est-à-dire en justifiant tous les montants demandés), sauf dans le domaine des dépenses d'investissements, des subventions et des contributions.

3.23 Les modes d'établissement des prévisions de programme pour le budget A permettent certaines augmentations du Budget principal des dépenses de l'année en cours (à l'exclusion des immobilisations et des subventions et contributions) aux fins du budget A de l'année nouvelle. Certaines de ces augmentations résultent de décisions expresses du Cabinet prises depuis la présentation du Budget principal des dépenses, des hausses réelles des coûts salariaux, de certaines augmentations particulières de prix, des dispositions prises en prévision de l'augmentation du volume de travail et des augmentations nécessaires des paiements statutaires.

3.24 Le budget B est de nature moins stéréotypée. Les propositions nouvelles y sont étayées par d'assez longs exposés. Cependant, les estimations de coûts ne sont présentées qu'au même niveau d'activité et de catégorie d'article de dépense que pour le budget A.

3.25 Les dépenses d'investissements sont traitées un peu différemment. Le budget d'établissement est un dossier sans cesse mis à jour des projets d'investissements approuvés et proposés de \$250,000 ou plus, qui expose les besoins monétaires et renferme les explications pertinentes. Il couvre une période de six ans: l'année en cours, l'année nouvelle et les quatre années suivantes. Les budgets d'établissements sont mis à jour trimestriellement par voie de demandes adressées au Secrétariat du Conseil du trésor. Les plus récentes estimations afférentes aux travaux d'ingénierie servent à la préparation des budgets d'établissements, mais aucune allocation n'est autorisée au titre de l'augmentation générale des prix.

3.26 Outre les exigences monétaires, les prévisions de programme définissent les besoins en personnel, exprimés en années-hommes. Pour chaque activité décrite dans les

prévisions de programme, les années-hommes sont indiquées d'une manière analogue aux exigences monétaires. Les prévisions d'années-hommes donnent le total des années-hommes relativement aux employés permanents, occasionnels et autres.

3.27 Les prévisions de programme et le Budget des dépenses sont traités conformément au calendrier ci-après qui englobe l'année précédant le début de l'année financière à laquelle ils s'appliquent:

Avril et mai -

- Les demandes budgétaires sont analysées à la lumière des priorités gouvernementales, et des documents d'information sont préparés pour être examinés et présentés au Conseil du trésor.

Juin et juillet -

- Le Conseil du trésor examine, avec les ministres responsables, les demandes budgétaires et les documents d'information, et recommande, à l'égard des ministères, des montants budgétaires globaux, pour considération et approbation par le Cabinet et le comité du Cabinet chargé des priorités et de la planification.

Août -

- Le Conseil du trésor adresse aux ministères des lettres par lesquelles il les informe des montants budgétaires approuvés.

Octobre et novembre -

- Le Budget principal des dépenses est présenté par les ministères au Conseil du trésor qui analyse avec un soin particulier les déviations aux propositions présentées, appuyées et approuvées pendant l'examen des prévisions de programme.

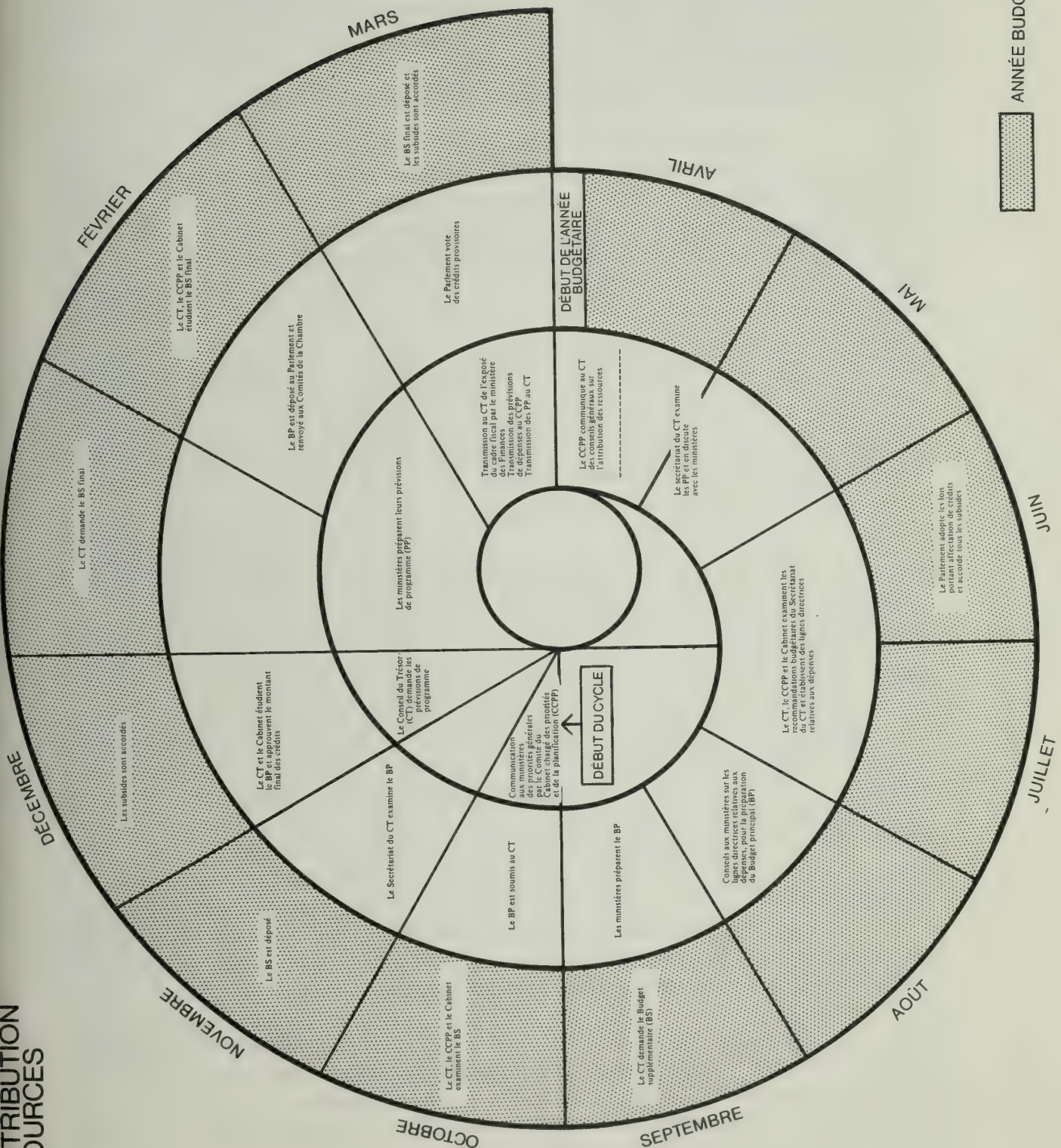
Décembre -

- Le Budget des dépenses est examiné par le Conseil du trésor, puis soumis au Cabinet pour approbation du montant final des affectations de crédits.

Février -

- Le Budget principal des dépenses - le « Livre Bleu » - est déposé au Parlement.

Ce processus est illustré avec plus de détails au document D.



3.28 Après la préparation du Budget principal des dépenses, les ministères doivent faire connaître au Conseil du trésor les besoins prévus en années-hommes, pour chaque trimestre de l'année financière, relativement à chaque activité. Dans les trois semaines environ qui suivent la fin de chaque trimestre, les ministères sont tenus de soumettre au Secrétariat des rapports sur le nombre réel des années-hommes utilisées.

3.29 Les Budgets supplémentaires doivent ordinairement être présentés en deux étapes, en septembre et, de nouveau, en janvier. Ils sont soumis au Secrétariat du Conseil du trésor au cours du mois suivant et déposés pendant le deuxième mois qui suit la demande de présentation. Ces Budgets s'imposent pour des programmes approuvés depuis la présentation du Budget principal des dépenses, pour les dépenses additionnelles imprévues à l'égard de programmes déjà approuvés et pour la réattribution de fonds entre les crédits administrés par le même ministère.

3.30 En plus de présenter, à l'étape des prévisions de programme, de nouvelles propositions au moyen du budget B, les ministères préparent au cours de l'année des demandes d'approbation de nouveaux programmes. Celles qui exigent des décisions portant sur une politique sont soumises aux comités du Cabinet; les autres sont renvoyées au Conseil du trésor pour approbation de principe.

3.31 Une revue trimestrielle des dépenses qui présente les besoins financiers se rattachant à toutes les demandes approuvées, est préparée à l'intention de Conseil du trésor et du Comité du Cabinet chargé des priorités et de la planification. Les Budgets supplémentaires se limitent aux besoins approuvés par le Conseil du trésor et le Cabinet dans la revue trimestrielle des dépenses.

Attribution de la responsabilité des prévisions de programme

3.32 Le Manuel des prévisions de programme et du budget des dépenses précise que les demandes relatives aux prévisions de programme doivent être préparées selon la méthode «de haut en bas» plutôt que «de bas en haut». Dans la méthode dite «de haut en bas», les prévisions de programme sont préparées au niveau central par la haute direction des ministères, à qui des employés d'autres niveaux fournissent des renseignements sur la planification grâce à un dialogue constant au sein du bureau principal et entre celui-ci et les bureaux régionaux. La méthode dite «de haut en bas» unifie la planification tout en faisant en sorte que l'apport essentiel des gestionnaires subalternes serve à garantir que les principales questions qui se posent seront examinées dans les prévisions de programme et que les gestionnaires s'estimeront obligés de s'en tenir au budget qui en résultera.

3.33 La méthode dite «de bas en haut» nécessite la combinaison de prévisions individuelles préparées aux divers niveaux de la structure hiérarchique. Le fait qu'elle soit utilisée par de nombreux ministères entraîne un certain nombre de conséquences, par exemple: les prévisions de programme sont extrêmement longues et beaucoup trop détaillées par rapport aux besoins formulés; les gestionnaires subalternes y consacrent trop de temps et se sentent frustrés lorsqu'ils constatent les modifications apparemment arbitraires apportées par la suite au budget. Cet état de choses s'aggrave lorsque les ministères, ainsi que nous l'avons déjà signalé, demandent aux gestionnaires de préparer les prévisions de programme en ne communiquant pas, ou très peu, les priorités et directives.

3.34 Les prévisions détaillées préparées par les gestionnaires subalternes quinze mois environ avant le début de l'année nouvelle constituent souvent la base des budgets de fonctionnement détaillés au regard desquels le rendement sera finalement mesuré. Ces budgets détaillés devraient être établis plus tard lorsque les questions de programmes sont réglées et les variations de prix connues et que l'on dispose, au moins en partie, des résultats des opérations de l'année en cours.

3.35 Une raison de l'emploi courant de la méthode dite «de bas en haut» est le lien de continuité perçu entre les demandes concernant les prévisions de programme et les demandes relatives au Budget principal des dépenses. Les niveaux budgétaires que fixe le Conseil du trésor en s'inspirant de l'examen des prévisions de programme deviennent les plafonds réels des dépenses pour l'établissement du Budget principal des dépenses. Bien que l'un des objectifs explicites de celui-ci soit de démontrer que le coût détaillé des besoins en ressources a été établi, cela se fait en pratique à l'étape des prévisions de programme, et le Budget principal des dépenses présente essentiellement des décisions prises antérieurement.

3.36 *Les gestionnaires supérieurs des ministères et organismes devraient centraliser la préparation des prévisions de programme, les gestionnaires des autres niveaux leur fournissant les renseignements nécessaires à la planification, surtout au moyen d'un dialogue constant avec le bureau principal.*

Teneur des présentations de prévisions de programme

3.37 Les méthodes précises servant à préparer les prévisions de programme donnent lieu à la communication de renseignements détaillés dont le Secrétariat du Conseil du trésor n'a pas besoin pour attribuer la plupart des ressources. En revanche, il arrive souvent que les prévisions de programme ne contiennent pas toutes les données indispensables au Conseil du trésor, données qui doivent être alors recueillies par demande directe. Plus particulièrement, les objectifs et le prix de revient des activités sont souvent mal définis, ce qui entraîne des demandes de ressources fort mal étayées.

3.38 Si l'on reconnaissait la nature foncièrement différente des divers ministères et organismes et si l'on examinait de plus près les renseignements réellement nécessaires au stade des prévisions de programme, on pourrait supprimer un nombre considérable de détails inutiles qui y figurent actuellement. On pourrait atteindre un degré convenable de précision en préparant de façon centralisée les prévisions concernant certains programmes relativement stables et prévisibles. Peut-être faudrait-il des renseignements complémentaires dans le cas des programmes d'un caractère plus changeant, mais certains genres de renseignements demandés actuellement ne semblent pas essentiels à quelque programme que ce soit. Par exemple, nombre de ministères font la ventilation des dépenses par article courant, simplement en établissant la prévision pour l'année nouvelle au prorata des articles de l'année en cours. Ainsi, l'insertion de ces renseignements peut induire en erreur. De plus, on n'a pas besoin de tous les articles courants pour fins d'examen.

3.39 On pourrait préciser dans les prévisions de programme les renseignements détaillés qui sont requis à l'égard de chaque programme. Une réduction du nombre de

renseignements exigés tendrait à encourager les ministères à employer la méthode dite «de haut en bas». Cependant, on n'y parviendra pas sans adopter une attitude plus souple au sujet des changements qui interviennent entre le stage des prévisions de programme et celui du Budget principal des dépenses.

3.40 *Il faudrait étudier quels sont les renseignements nécessaires à l'établissement des prévisions de programme de manière à n'exiger que des détails indispensables et à préciser clairement le genre de renseignements propres à refléter la nature foncièrement différente des divers ministères et organismes ainsi que celle des programmes diversifiés qu'ils administrent.*

Évaluation des programmes permanents

3.41 Comme nous l'avons déjà signalé, le budget A des prévisions de programme est établi sur une base d'accroissement, sauf en ce qui concerne les immobilisations, les subventions et contributions. Il s'ensuit que les ministères, le Conseil du trésor ou le Cabinet ne font pas automatiquement un examen périodique des principaux éléments des programmes permanents, bien que, semble-t-il, les ministères puissent le faire afin de pouvoir libérer certaines ressources pour les attribuer à des articles d'une plus grande priorité. Les hauts fonctionnaires des ministères, du Conseil du trésor et du Cabinet ne connaissent pas suffisamment le détail des activités, les prix de revient et les résultats des programmes. Chaque année, c'est le budget B qui retient surtout l'attention, mais on a grand-peine à identifier certains éléments importants du budget A.

3.42 Le Conseil du trésor donne souvent son approbation aux ministères pour les articles du budget B, sans approuver les crédits additionnels demandés à leur égard. Il recommande aux ministères de supprimer ou de réduire une activité moins prioritaire en faveur d'une nouvelle. Cette pratique entraîne un examen des activités permanentes, mais elle ne tient pas suffisamment compte du fait qu'il peut y avoir, dans d'autres ministères et programmes, des articles encore moins prioritaires qui devraient être abandonnés.

3.43 Les politiques et les programmes permanents doivent faire l'objet d'une meilleure évaluation visant à éliminer le double emploi, à corriger les erreurs et à s'assurer qu'ils reflètent au mieux les changements de priorités du gouvernement. Cela comporte un examen du fondement et du fonctionnement des activités détaillées, des sous-activités, des projets et processus inhérents aux programmes et une évaluation des résultats obtenus par rapport aux coûts subis.

3.44 Les plans appellent des études évaluatives des questions et des problèmes perçus, sur l'initiative du Cabinet ou déterminées par celui-ci, à partir d'une liste dressée annuellement par le Bureau du Conseil privé et le Secrétariat du Conseil du trésor. Cette formule, qui prévoit de cinq à dix études par année, est axée sur les possibilités analytiques des ministères et des organismes centraux dans les domaines que le Cabinet considère d'un intérêt particulier. Il semble que les études évaluatives du Cabinet aient tendance à se concentrer plus sur les questions de politiques que sur les aspects détaillés de la mise en

oeuvre de celles-ci et à se limiter aux programmes revêtant une signification relativement considérable concernant les politiques.

3.45 Outre les études évaluatives du Cabinet, les ministères devraient justifier périodiquement tous leurs programmes et activités permanents. Cependant, cet examen exige qu'on dispose de bien meilleurs renseignements sur les diverses activités, leurs coûts et leurs résultats avant de pouvoir faire un examen complet à partir de zéro en vue de déterminer les activités marginales qui normalement échapperaient à l'attention dans le genre d'analyse inhérent aux études du Cabinet.

3.46 *Tous les programmes devraient faire l'objet d'un examen périodique approfondi de la part des ministères, avec une participation appropriée des organismes centraux pour permettre à ces derniers de s'acquitter de leurs responsabilités en matière d'attribution des ressources et de contrôle budgétaire.*

Examen des besoins en personnel

3.47 Il semble que nombre de ministères établissent des prévisions de programme sans évaluer avec réalisme les possibilités de pourvoir aux postes nouveaux ou vacants. Les prévisions de programme se fondent sur l'hypothèse qu'il y aura des personnes disponibles ayant la compétence nécessaire pour occuper les nouveaux postes aux niveaux de traitement établis. L'expérience prouve que cette hypothèse est erronée, et qu'au contraire, les ministères disposent de fonds pour d'autres fins, ce qui réduit pour eux la nécessité d'exercer un étroit contrôle budgétaire. La partie des demandes des ministères qui porte sur la dotation en personnel parvient à la direction de la politique du personnel du Conseil du trésor et à la Commission de la Fonction publique seulement après que le Cabinet a établi les niveaux budgétaires. Ainsi, ces organismes et les préposés au personnel des ministères n'ont pas la possibilité de donner leur avis sur des propositions manquant de réalisme. Le recrutement en temps voulu de personnel possédant les qualités requises constitue un facteur important de succès pour la majorité des programmes. Il est capital de savoir si l'on pourra disposer de tout le personnel nécessaire avant que les prévisions de dépenses des ministères soient approuvées. Les services de dotation en personnel ont un urgent besoin de délais aussi longs que possible. Avant que le Conseil du trésor approuve les niveaux budgétaires, les divisions du personnel des ministères devraient étudier les données de base des prévisions de programme, et la direction de la politique du personnel ainsi que la Commission de la Fonction publique devraient également se pencher sur les exigences des programmes en matière de personnel.

3.48 *Les divisions du personnel des ministères devraient participer à l'examen des prévisions de programme. En outre, la direction de la politique du personnel du Secrétariat du Conseil du trésor et la Commission de la Fonction publique devraient être consultées au sujet de l'incidence des prévisions de programme sur la dotation en personnel avant que le Conseil du trésor approuve les niveaux budgétaires.*

Qualité de l'information

3.49 Les demandes relatives aux prévisions de programme et au Budget des dépenses se ressentent de l'insuffisance des données. À cet égard, il existe plusieurs lacunes majeures.

3.50 Les ministères ont défini les objectifs des programmes et déterminé les activités inhérentes à chaque programme pour satisfaire à l'obligation qui leur est faite de les insérer dans le Budget des dépenses soumis au Parlement. Toutefois, peu de ministères parviennent à établir un rapport précis ou utile entre les coûts ou les résultats et ces objectifs et activités.

3.51 De temps à autre, la direction des programmes du Conseil du trésor propose effectivement des améliorations à la présentation des programmes et des activités des ministères, mais c'est une tâche qui exige une connaissance profonde de l'activité d'un ministère et une compréhension parfaite des méthodes comptables et de budgétisation des programmes. Il semble que le personnel de la direction des programmes n'ait ni le temps ni la formation voulue pour exiger que les ministères élaborent de bons systèmes de catégorisation des coûts; par ailleurs, il se peut que les ministères ne soient pas mécontents d'une situation qui leur procure les crédits dont ils ont besoin, sans avoir à faire connaître en détail la destination de ces fonds.

3.52 Les prévisions de programme se fondent ordinairement sur les frais d'organisation ou sont établies de manière tellement approximative qu'il est extrêmement difficile de faire une évaluation détaillée des coûts par rapport aux résultats opérationnels. Ainsi, il n'y a guère de base sur laquelle on puisse se fonder pour mettre en doute l'efficacité ou l'utilité de ce qui s'accomplit dans chaque service organique.

3.53 Pour combler cette lacune, la direction de la planification du Conseil du trésor met actuellement au point le Système de mesure du rendement de l'exploitation (S.M.R.E.), qui sera décrit au chapitre suivant. Le S.M.R.E. a déjà été appliqué à un certain nombre de programmes avec plus ou moins de succès. Des renseignements sur l'application du S.M.-R.E. ont paru dans les prévisions de programme pour 1974-1975 à l'égard de 45% environ du total des années-hommes autorisées. Toutefois, en acceptant ces données le Conseil du trésor n'a pas suffisamment insisté sur la précision et la validité que doivent comporter les données. Néanmoins, les systèmes de mesure du rendement seront incontestablement utiles dans le processus d'attribution des ressources.

3.54 Les autres données fournies dans les demandes relatives aux prévisions de programme et au Budget des dépenses présentent des lacunes. Sauf pour les principales dépenses d'immobilisations, de subventions et de contributions, tous les budgets A figurant dans les prévisions de programme utilisent comme point de départ le Budget principal des dépenses pour l'année en cours, un certain nombre de facteurs y étant ajoutés pour en arriver au budget de l'année nouvelle. Les ministères ne sont pas tenus de justifier les éléments permanents des budgets A; en fait, très peu de programmes s'assortissent de

renseignements qui permettraient ces justifications. Le Secrétariat du Conseil du trésor ne fait guère d'analyse systématique des activités permanentes, car il semble généralement admis qu'une fois accordés, les crédits peuvent être réaffectés par les gestionnaires des programmes selon les priorités du moment.

3.55 Le Conseil du trésor joue un rôle important dans l'attribution des ressources, mais comme on le verra au chapitre suivant, il n'a aucun moyen de contrôler efficacement les dépenses et les résultats des programmes pour s'assurer que les fonds sont, en général, dépensés en conformité des plans pour lesquels ils ont été consentis. Les dépenses réelles ne sont pas déclarées ou analysées en détail, ce qui ne permet pas d'en déterminer les répercussions, le cas échéant, sur l'attribution future des ressources.

3.56 Les prévisions de programme sont présentées au Conseil du trésor à la fin de mars pour l'année commençant douze mois plus tard. Afin de respecter ce délai, bon nombre de ministères commencent à établir leurs prévisions de programme environ quinze mois avant le début de l'année nouvelle. À cause de ce décalage, la dernière année complète sur laquelle nous disposons de renseignements concrets est la troisième qui précède l'année nouvelle. Les prévisions de programme ont donc tendance à ne pas tenir compte des effets correctifs de l'expérience acquise au cours de l'année écoulée. Au moment où elles sont présentées, elles font état des dépenses pour l'année écoulée, calculées ordinairement d'après les chiffres réels au 31 décembre et une projection des dépenses pour le reste de l'année financière. Par tradition, les ministères ont tendance à surestimer les dépenses prévues pour les trois derniers mois de l'année, souvent en raison d'un optimisme injustifié qui les porte à croire que les programmes se dérouleront conformément au plan et d'une hésitation à communiquer au Secrétariat du Conseil du trésor le montant des crédits qu'ils ne prévoient pas d'utiliser, par crainte d'une réduction des affectations de crédits pour l'année nouvelle. Il semble que le Secrétariat du Conseil du trésor effectue peu de contrôle systématique pour s'assurer de l'exactitude des calculs de dépenses que lui fournissent les ministères à l'égard de l'année écoulée. Vu que les données relatives aux dépenses courantes sont incomplètes et que les calculs des dépenses futures sont d'une exactitude douteuse, le Secrétariat ne dispose pas de renseignements comparatifs suffisants pour lui permettre de prendre des décisions en ce qui concerne l'attribution des ressources.

3.57 On peut se demander s'il est avantageux d'exiger des ministères qu'ils présentent des prévisions de programme pour les deux années qui suivent l'année nouvelle, puisque la plupart d'entre eux ne font pas d'efforts sérieux pour préparer des prévisions exactes. Celles-ci semblent se faire de façon arbitraire et hâtive et tendent à sous-estimer les augmentations pouvant s'imposer. Le Secrétariat du Conseil du trésor ne fait aucun travail complémentaire efficace pour vérifier ou contrôler l'exactitude des prévisions et celles-ci ne servent à peu près pas d'instrument de planification. Un contrôle plus consciencieux, par le Secrétariat du Conseil du trésor, des prévisions pour les deux années qui suivent l'année nouvelle, inciterait les ministères à insister davantage sur la planification à long terme. Pareil contrôle est essentiel si l'on veut bien tenir compte de l'incidence des dépenses des années futures avant que le gouvernement s'engage dans un nouveau programme.

3.58 Le Manuel des prévisions de programme et du Budget des dépenses précise que le fait de ne pas déduire des budgets de dépenses les gains de productivité devrait compenser l'absence, dans ces budgets, de provision à l'égard de la hausse générale des prix et des salaires. En raison des taux élevés d'inflation de ces dernières années, l'application de ce principe représente une réduction importante et arbitraire des budgets de tous les programmes et ne tient donc pas compte des écarts fondamentaux entre les marges prévues dans les budgets des divers programmes, de la nature variable de ceux-ci, des effets fluctuants de l'inflation et des possibilités d'accroissement de la productivité. Cette formule semble inciter les gestionnaires des programmes à surestimer d'autres besoins budgétaires de façon à obtenir un surplus de fonds pour compenser les effets de l'inflation. Il est également plus difficile d'absorber l'inflation au moyen de programmes mieux administrés puisqu'ils offrent moins de possibilités d'améliorer la productivité.

3.59 Nous reconnaissons que des considérations étrangères au processus d'attribution des ressources imposent une attitude prudente lorsqu'il s'agit de prévoir les répercussions de l'inflation sur les taux de rémunération. En outre, les ministères peuvent obtenir du Conseil du trésor un crédit pour dépenses imprévues pour pallier les insuffisances de fonds résultant des hausses salariales qui s'ajoutent à celles dont il est déjà tenu compte dans les prévisions de programme et le Budget principal des dépenses.

3.60 Dans les prévisions de programme et le Budget principal des dépenses les ministères peuvent tenir compte des augmentations de prix annoncées. Cependant, comme ils établissent leurs propres calculs, les demandes de crédits budgétaires font état d'augmentations procentuelles différentes pour le même type d'achats. La direction des programmes examine les renseignements que fournissent les ministères à l'appui des divers pourcentages envisagés, mais les ministères ont rarement le temps, le personnel spécialisé ou des données chronologiques sûres qui leur permettraient de calculer avec précision les augmentations relatives à chaque genre de dépenses. Ce sont les organismes centraux qui devraient effectuer les recherches voulues sur les augmentations de prix annoncées et informer les ministères des pourcentages à insérer dans les prévisions de programme et le Budget principal des dépenses.

3.61 Dans le cas de certains ministères, les variations annuelles des stocks pourraient avoir d'importantes répercussions sur les crédits d'une année quelconque. Ces variations ne sont ordinairement pas signalées à la direction des programmes au cours du processus d'attribution des ressources, parce que les données exigées à l'appui des demandes relatives aux prévisions de programme et au Budget des dépenses ne comportent pas la divulgation à part d'un état des stocks.

3.62 Certaines modifications semblent s'imposer dans un autre domaine. Au cours des cinq dernières années, un grand nombre de projets d'investissements ont dépassé les crédits initialement votés dans une proportion bien supérieure aux montants attribuables à l'inflation. Une fois qu'un projet est mis en chantier, le gouvernement est obligé de le mener à terme peu importe, et généralement, sans égard au prix éventuel. La section du Budget

consacrée aux investissements représente une part importante des dépenses totales. Il est donc essentiel d'avoir des estimations réalistes des coûts pendant le processus d'attribution des ressources, afin que les fonds soient affectés de la manière la plus judicieuse. Certains projets n'auraient peut-être pas été entrepris si les coûts réels avaient été connus au stade de l'approbation.

3.63 Toutes ces lacunes révèlent la nécessité d'améliorer la qualité des données utilisées dans le processus d'attribution des ressources. Le Secrétariat du Conseil du trésor n'a pas accordé à ces questions l'intérêt qu'elles méritent. Pour que des mesures efficaces soient prises, il faudra orienter et soutenir les efforts dans une nouvelle direction.

3.64 *Des initiatives s'imposent pour améliorer la qualité des données présentées dans les demandes quant aux prévisions de programme et au Budget des dépenses, c'est-à-dire :*

- *réévaluer la structure actuelle des programmes et activités ministériels pour s'assurer qu'elle est appropriée;*
- *encourager l'emploi de méthodes propres à accroître l'aptitude des systèmes financiers à mesurer le rendement;*
- *examiner plus à fond les données présentées par les ministères;*
- *contrôler a posteriori les dépenses réelles pour évaluer la qualité des données budgétaires;*
- *confier à un rouage central le soin d'établir la base du calcul des montants inclus pour absorber l'inflation;*
- *examiner l'effet de la variation des niveaux des stocks; et*
- *contrôler a posteriori les projections comprises dans les prévisions de programme, à l'égard des années futures.*

Communication du détail des méthodes et des décisions

3.65 Le Manuel des prévisions de programme et du Budget des dépenses, les circulaires d'ordre budgétaire, le Guide de planification, programmation et budgétisation et le manuel des Systèmes de mesure du rendement de l'exploitation, tous rédigés et diffusés par le Secrétariat du Conseil du trésor, renferment des directives sur l'établissement des prévisions de programme. Le Guide d'administration financière du Conseil du trésor donne également des conseils sur les divers aspects du processus budgétaire. Le Manuel des requêtes au Conseil du trésor traite de la nature et de la formule générale des demandes adressées au Secrétariat du Conseil du trésor. Nombre de ministères remplacent ces manuels et autres instructions par leurs propres manuels d'établissement des budgets dont la qualité varie énormément.

3.66 Les documents qui font connaître aux ministères le processus de préparation des budgets donnent une idée fragmentaire des règles et conceptions pertinentes. Le Manuel des prévisions de programme et du Budget des dépenses mentionne que les principes du système budgétaire auxquels se rattachent les demandes concernant les prévisions de programme et le Budget des dépenses sont définis dans le Guide de planification, programmation et budgétisation (P.P.B.). Ce Guide, publié pour la première fois en 1969, n'a pas été mis à jour depuis; il est maintenant épuisé et l'on n'a pas encore décidé s'il serait réimprimé. Quatre circulaires distinctes concernant le budget exposent des méthodes budgétaires détaillées traitant de sujets particuliers, comme les dépenses d'investissements. Le Guide d'administration financière du Conseil du trésor contient des renseignements utiles, qui ne figurent pas dans le Manuel des prévisions de programme et du Budget des dépenses, au sujet des méthodes à suivre pour établir les budgets. De plus, le manuel du Système de mesure du rendement de l'exploitation renferme des détails sur le rôle du S.M.R.E. dans l'attribution des ressources. Le chevauchement de ces divers documents et leurs interrelations ont semé la confusion dans les ministères.

3.67 Afin de clarifier le système et les méthodes, il y aurait lieu de regrouper en un manuel complet d'attribution des ressources toutes les sections pertinentes des manuels actuels. Ce manuel devrait comprendre l'actuel manuel des prévisions de programme et du Budget des dépenses, la matière des quatre circulaires traitant des questions budgétaires et une version à jour des exposés de principes présentés dans le Guide de planification, programmation et budgétisation (R.C.B.) et les autres guides et manuels spécialisés.

3.68 Le manuel des requêtes au Conseil du trésor traite de la nature et la forme générale des divers genres de demandes présentées au Conseil du trésor, autres que les prévisions de programme, le Budget principal des dépenses et les Budgets supplémentaires. Bien des demandes portent sur un nombre considérable de ressources et doivent être traitées avec beaucoup de diligence par le Secrétariat ou le Cabinet, ou les deux. Il est donc essentiel que les demandes soient présentées comme il convient et contiennent assez de renseignements pour permettre de prendre au bon moment les décisions voulues. Le Manuel des requêtes est fort désuet. La mention, par exemple, du Contrôleur du trésor, poste aboli en 1969, tend à minimiser la crédibilité et l'utilité de ce Manuel et risque d'influencer défavorablement l'attitude des ministères à l'égard des demandes. Un projet de mise à jour du Manuel se poursuit depuis environ deux ans. Il faudrait faire tous les efforts possibles pour publier le texte définitif dans les plus brefs délais.

3.69 Les lettres adressées en août pour informer les ministères des niveaux budgétaires établis par le Cabinet n'indiquent que les niveaux approuvés, sans expliquer les écarts entre les ressources demandées et les ressources autorisées. Les ministères peuvent demander aux analystes de programmes des détails au sujet des éléments des programmes pour lesquels les ressources demandées ont été refusées. Le Secrétariat du Conseil du trésor ne fait aucune remarque écrite sur la nature et la qualité des renseignements contenus dans les prévisions de programme, pas plus qu'il ne suggère des moyens de corriger les faiblesses au cours des années à venir.

3.70 La qualité de l'information accompagnant la présentation des prévisions de programme varie d'un ministère à l'autre. D'année en année, des imperfections semblent entacher les demandes visant certains programmes et c'est le personnel ministériel qui prend ordinairement l'initiative d'apporter des améliorations. Manifestement, c'est la direction des programmes qui est le mieux en mesure d'évaluer la qualité des prévisions de programme. En fait, elle a intérêt à tenter d'améliorer la qualité des demandes, l'exactitude de la description des activités, l'information destinée au S.M.R.E. et l'attitude générale des ministères en ce qui touche la préparation du budget.

3.71 *Il faudrait préparer un manuel complet sur l'attribution des ressources contenant une version consolidée et mise à jour des sections pertinentes des manuels, guides et circulaires du Conseil du trésor qui traitent du processus d'attribution des ressources. Ces documents devraient être complétés par des lettres annuelles à l'adresse de chaque ministère, qui proposeraient des améliorations touchant la qualité, le contenu et la présentation des demandes de l'année précédente. Chaque ministère devrait y répondre officiellement en exposant les améliorations qu'il projette d'apporter à l'avenir.*

Analystes de programmes

3.72 Il y a, à l'heure actuelle, une forte rotation des analystes de programme au sein de la direction des programmes du Secrétariat du Conseil du trésor. Les quelque quarante-cinq analystes au service de la direction possèdent une expérience moyenne d'environ vingt-cinq mois. Si l'on ne tient pas compte des six analystes qui ont les plus longs états de service, la moyenne tombe à dix-huit mois, ce qui ne correspond qu'à un seul cycle budgétaire complet.

3.73 L'indice élevé de la rotation actuelle des analystes de programme semble attribuable à un certain nombre de facteurs. L'un d'eux est le changement d'attitude survenu après la parution du rapport Glassco; antérieurement à ce rapport, les employés entraient à la direction des programmes, à un niveau inférieur, et étaient encouragés à y faire carrière à moyen ou à long terme dans des domaines spécialisés. Aujourd'hui, le Secrétariat engage des personnes d'une compétence reconnue, habituellement pour une période de trois ans, étant entendu qu'elles seront finalement mutées dans les ministères d'exécution. Malheureusement, de nombreux analystes de programme quittent le Conseil avant même la fin de cette période.

3.74 Cet indice de rotation provoque un problème sérieux. L'attribution des ressources est un aspect complexe et important de l'administration financière du secteur public. En raison de cette complexité et de leur propre manque de connaissance des ministères qu'ils ont à analyser, les analystes de programme ne peuvent donner leur plein rendement pendant leur premier cycle budgétaire au sein de la direction des programmes. Le travail des chefs de groupe et des directeurs de la direction des programmes constitue une certaine garantie, mais seulement trois des treize chefs de groupe actuels ont de l'expérience comme analystes de programme. En général, l'efficacité des analystes s'améliore de beaucoup au cours de leur deuxième et troisième cycle budgétaire.

3.75 *Le Secrétariat du Conseil du trésor devrait étudier les causes du fort indice de rotation des analystes de programme et prendre les mesures pour corriger la situation.*

Description des méthodes

3.76 L'effet de la rotation du personnel s'est accentué par suite d'une formation initiale insuffisante et d'un manque de méthodes normalisées d'évaluation des présentations. La direction des programmes élabore en ce moment un programme de formation plus poussé à l'intention des nouveaux analystes de programme. La nature du travail d'analyse et la grande diversité des ministères exigent beaucoup de souplesse; néanmoins, des listes normalisées de contrôle opérationnel s'imposent pour assurer un degré raisonnable d'uniformité de la qualité et dans la démarche générale. En outre, la mise au point de normes applicables à la description des méthodes et l'exposé du fondement des décisions aideraient les nouveaux analystes à s'adapter plus rapidement à leurs fonctions.

3.77 *Pour appuyer ses décisions, la direction des programmes devrait normaliser, pour usage interne, les listes de contrôle, les questionnaires et les procédés pertinents.*

Apprentissage des méthodes

3.78 Les personnes qui s'occupent de l'affectation des ressources au sein des ministères ne sont pas tenues, à l'heure actuelle, de s'inscrire à des programmes de formation. Certains aspects du processus sont exposés dans divers cours généraux dispensés par la Commission de la Fonction publique et pendant les cycles de formation offerts par les ministères. Cependant, de nombreuses personnes travaillant à l'affectation des ressources ne reçoivent aucune formation officielle, pas plus en ce qui regarde les notions de base que le détail des méthodes prescrites. Par exemple, il est rare que les analystes du Conseil du trésor suivent ces cours.

3.79 Il n'existe aucun programme centralisé de formation qui permettrait aux employés d'apprendre à fond le processus en question. Il faudrait développer un tel cours et le rendre obligatoire pour les fonctionnaires qui s'occupent surtout de l'établissement du budget dans chaque ministère et organisme central. Ceux qui suivraient ce cours devraient être chargés de former ceux qui, dans leur ministère, participent à ce processus dans une mesure appréciable. Présentement, il existe, semble-t-il, une mauvaise compréhension généralisée de certains principes fondamentaux du processus d'attribution des ressources; un cours intensif bien conçu pourrait donc contribuer à améliorer sensiblement la participation des ministères.

3.80 *Il faudrait développer un cours intensif de formation portant sur tous les aspects pertinents de l'affectation des ressources. Ce cours devrait être obligatoire pour tous les fonctionnaires qui s'occupent surtout de planification et d'établissement du budget dans chaque ministère et organisme.*

REVENUS NON FISCAUX

3.81 Lorsqu'il y a lieu, les présentations de prévisions de programme renferment à l'égard de chaque programme et de chaque activité, un sommaire des revenus énumérant sous des rubriques distinctes, les revenus portés au compte du crédit et ceux qui sont crédités au Fonds du revenu consolidé, avec indication des principales sources de revenus. Les prévisions des revenus fiscaux sont établies séparément par le ministère des Finances.

3.82 Dans une circulaire sur la réforme administrative publiée en 1966, le Conseil du trésor insistait sur la responsabilité des ministères en ce qui a trait aux revenus provenant de services offerts au public et décrivait brièvement les critères servant à en déterminer les frais. Les modifications apportées en 1969 à la Loi sur l'administration financière autorisaient le gouverneur en conseil à prescrire sur la recommandation du Conseil du trésor, les droits ou frais afférents aux services offerts au public et à déléguer cette autorité au ministre compétent. Depuis 1969, nombre de ministères ont tenté d'introduire ou d'augmenter ces droits et ces frais et un grand nombre de ceux-ci ont été différés pour des raisons diverses.

3.83 Les mesures prises par le gouvernement pour faciliter l'examen et la révision des taux de revenu n'ont pas été pleinement efficaces parce que les ministères invoquent leur expérience pour expliquer pourquoi ils ne font pas des examens réguliers en vue de vérifier si des augmentations ou des réductions se justifient.

3.84 Le public bénéficie de nombreux services pour lesquels des frais sont établis ou dont il conviendrait peut-être de recouvrer les coûts en partie ou en totalité. Les ministères ont perçu pour l'année financière 1974-1975 des revenus non fiscaux de l'ordre de \$300 millions, au titre des services postaux, des licences et permis, des privilèges et autres services. Il s'agit de sommes considérables et peut-être serait-il fort possible de percevoir d'autres revenus provenant de services particuliers dont il serait équitable que les bénéficiaires assument les frais.

3.85 La responsabilité première d'évaluer les politiques ayant trait aux revenus et de déterminer, s'il y a lieu de les modifier incombe au ministère. La Loi sur l'administration financière permet, mais sans l'exiger, un examen périodique de ces politiques par le Conseil du trésor. Les prévisions des revenus figurent dans la présentation des prévisions annuelles de programme au Conseil du trésor, mais aucun examen n'est fait des politiques qui donnent lieu à ces revenus.

3.86 *Les ministères devraient être tenus d'évaluer annuellement les services qu'ils assurent au public, à la lumière des lignes directrices du Conseil du trésor, et de présenter des recommandations préconisant le maintien des politiques visant les revenus ou l'augmentation ou la réduction des frais exigés, par suite de l'évolution de la nature des services offerts ou de leur prix de revient. De son côté, le Conseil du trésor devrait être tenu de présenter au gouverneur en conseil des recommandations annuelles sur les politiques en matière de revenu, pour que celui-ci les examine en vertu de l'article 13 de la Loi sur l'administration financière.*

IV CONTRÔLE BUDGÉTAIRE

4.1 Le contrôle budgétaire peut revêtir diverses formes. La méthode la plus simple et la plus élémentaire consiste à inscrire les dépenses en regard des crédits et affectations afin de s'assurer que ceux-ci ne sont pas dépassés. Cette méthode, prescrite par la loi, a pour but seulement de permettre de vérifier que les limites des dépenses soient respectées; elle ne prévoit pas d'assurer que les résultats désirés soient obtenus.

4.2 Une méthode plus efficace et concrète consiste à comparer les dépenses réelles au plan établi de manière à pouvoir déceler les écarts pour fins d'enquête. Cette technique fait appel à un système de rapports financiers qui compare les dépenses réelles avec les dépenses prévues, les écarts étant expliqués à titre d'exception. Ce système est plus utile s'il comporte des données sur les résultats prévus et réels des opérations, avec lesquels les dépenses peuvent être mises en corrélation.

4.3 Les systèmes de contrôle budgétaire sont indispensables à la gestion des ministères. Le gouvernement, dans son ensemble, doit aussi pouvoir s'assurer que les limites des dépenses sont respectées et que les ressources affectées permettent d'obtenir les résultats souhaités. Cette vérification peut s'effectuer de deux façons: premièrement, en s'assurant que les systèmes appliqués dans les ministères conviennent à cette fin; deuxièmement, en contrôlant l'information fournie par ces systèmes pour faire en sorte que la teneur en soit parfaitement comprise et soit transmise aux fonctionnaires chargés de prendre les mesures correctives.

4.4 Ces points sont étudiés sous les rubriques suivantes:

- Systèmes de contrôle des liquidités
- Contrôle au moyen de rapports financiers périodiques
- Contrôle budgétaire centralisé

SYSTÈMES DE CONTRÔLE DES LIQUIDITÉS

4.5 La Loi sur l'administration financière exige que les ministères tiennent divers registres pour fins de contrôle budgétaire et d'établissement de rapports. Il s'agit des registres des crédits, des affectations et des engagements.

4.6 Les ministères sont tenus de contrôler les crédits dès qu'on leur confère le pouvoir de dépenser. L'article 21 de la Loi sur l'administration financière oblige les ministères à tenir des registres de contrôle des liquidités pour s'assurer que les paiements n'excèdent pas les crédits approuvés. Le paragraphe 3 de l'article 26 (3) renforce cette exigence en exigeant pour le paiement d'un compte l'approbation d'une personne autorisée afin que ce paiement n'entraîne pas une dépense supérieure aux crédits ou ne réduise pas le solde disponible au point de le rendre insuffisant pour l'exécution des engagements en cours.

4.7 L'article 24 stipule que les crédits doivent être divisés en affectations, conformément aux prescriptions du Conseil du trésor, et que les ministères doivent tenir des registres et mettre en oeuvre des systèmes de contrôle afin que ces affectations ne soient pas dépassées.

4.8 Les ministères sont également obligés de tenir un registre des engagements non remplis. Selon l'article 25, des registres d'engagements doivent être tenus afin que l'on connaisse exactement les soldes disponibles pour des engagements supplémentaires.

4.9 En plus des exigences de la Loi, le Guide d'administration financière du Conseil du trésor renferme les trois directives suivantes:

«Les agents financiers ou d'autres agents pouvant faire des paiements pour chaque crédit budgétaire et chaque affectation prescrite par le Conseil du trésor, tiendront des comptes de contrôle au nom du sous-chef; et ce, que les ministères fonctionnent en vertu de crédits principaux ou provisoires ou en vertu de mandats spéciaux du Gouverneur général. On pourra ainsi comparer à tout moment les dépenses avec ces limites.»

«Lorsque le pouvoir de payer est délégué à des agents d'unités décentralisées, on devra diviser les affectations en sous-affectations pour chacun de ces agents, et tenir des comptes de contrôle pour chacune de ces sous-affectations afin que les agents faisant des demandes de paiement puissent les contrôler par rapport aux engagements non remplis et aux soldes disponibles de leurs sous-affectations.»

«Pour se conformer à la nécessité statutaire de tenir des registres des engagements et d'attester de la disponibilité de fonds avant de contracter des engagements, les ministères devront:

- «- conserver pour chaque centre de responsabilité des copies de tous les documents faisant état des engagements non remplis pour les dépenses d'administration, de fonctionnement et d'entretien, et faire rapport du total de ces articles aux fins d'inscription dans les rapports périodiques de contrôle budgétaire; et
- «- tenir un registre permanent des engagements, par année financière, pour les dépenses d'immobilisations, de subventions, de contributions et les dépenses s'échelonnant sur plusieurs années.»

La plus grande partie de ces directives réaffirment l'importance des systèmes de contrôle que la Loi exige des ministères. Le Guide d'administration financière donne en outre les trois lignes directrices suivantes:

«Étant donné que les crédits budgétaires annuels sont prévus pour des services fournis au cours de l'année financière, les ministères devraient s'assurer que les paiements sont demandés et effectués rapidement afin que tous les comptes soient payés au cours de l'année financière pour laquelle les biens ou les services ont été fournis et pour laquelle les fonds ont été prévus.»

«On devrait préparer périodiquement dans chaque ministère des prévisions de liquidités tenant compte des incidences opérationnelles et saisonnières sur les disponibilités; une simple extrapolation des déboursés de l'année en cours ou de l'année précédente fournit rarement une prévision suffisamment précise.»

«Des rapports financiers distincts fournissant des renseignements sur les déboursés, les engagements non remplis et les soldes disponibles, par crédit, par affectation et par sous-affectation, devraient être fournis aux agents financiers et autres agents pouvant faire des

paiements afin de leur permettre, au nom du sous-chef, de contrôler les disponibilités par rapport aux limites imposés par les crédits annuels ou autres et par les affectations.»

Emploi des affectations

4.10 En général, les ministères tiennent des registres appropriés des crédits et affectations. Ces dernières années, des affectations normales du Conseil du trésor ont été établies à l'égard des subventions et contributions, des réserves destinées au rajustement des salaires, des frais d'exploitation et des investissements. Depuis le 1er avril 1975, les fonds affectés aux salaires ont fait l'objet d'affectations distinctes. Il existe d'autres circonstances où il conviendrait d'établir des affectations séparées. Nous avons noté certains cas où les ministères prévoient, pour l'année, des dépenses à des fins déterminées fondées sur la moyenne des fonds dont ils ont eu besoin au cours des années antérieures. Lorsque les affectations budgétaires sont insuffisantes à cette fin, les ministères demandent des ressources additionnelles par le truchement d'un budget supplémentaire. Lorsque leurs frais réels sont inférieurs à leurs prévisions, ils ont tendance à utiliser le solde à d'autres fins.

4.11 La subdivision des crédits en affectations a pour objet d'empêcher les ministères d'utiliser à d'autres fins les fonds prévus pour une fin déterminée. Un trop grand nombre d'affectations au sein des crédits imposeraient des restrictions trop excessives aux opérations journalières des ministères. Néanmoins, il semblerait qu'actuellement le Conseil du trésor applique trop peu les dispositions statutaires dont il peut se prévaloir pour empêcher que les ministères ne dissimulent les lacunes d'exploitation en utilisant des fonds pour des fins autres que celles établies au départ.

4.12 *Le Conseil du trésor devrait établir des affectations distinctes lorsque d'importantes sommes sont prévues à des fins discrétionnaires, et, partant, soumises au contrôle des gestionnaires.*

Nécessité de la comptabilisation des engagements

4.13 Pour exercer un minimum de contrôle, les ministères devraient inscrire sans tarder leurs transactions en regard des crédits et affectations afin d'en empêcher tout dépassement. Bien que cette méthode ne permette guère de contrôle au cours de l'année et qu'elle ne mesure pas les sommes dépensées par rapport aux résultats prévus, elle garantit que le plafond des dépenses est respecté.

4.14 Les prévisions de caisse renforcent le degré de contrôle des crédits et affectations parce qu'elles permettent d'anticiper le montant des fonds périmés ou dépensés en fin d'année. Essentiellement, ces prévisions comportent l'extrapolation des besoins de liquidités fondés sur l'expérience acquise, ce qui permet de faire des comparaisons avec les affectations de crédits pour déterminer s'il y aura une insuffisance ou un dépassement de fonds pour l'année. Cela peut se faire en combinant les projections des divers gestionnaires responsables des budgets ou en analysant les tendances de l'année courante et de l'année précédente. Il est bon que les ministères fassent ces deux genres de projections afin que les écarts puissent être examinés plus à fond. De la sorte, ils peuvent mieux contrôler les

mouvements de caisse pendant l'année, mais cela ne leur donne aucune assurance que l'argent est dépensé pour les fins auxquelles il était affecté.

4.15 Les ministères peuvent exercer un meilleur contrôle sur les crédits et affectations en consignnant leurs engagements et en réservant les fonds nécessaires à leur exécution, ce qui leur permet de déterminer les soldes disponibles avant de prendre de nouveaux engagements. Bien que cette méthode puisse les aider à vérifier que les crédits et affectations ne sont pas dépassés, elle n'assure aucun contrôle budgétaire au cours de l'année et ne donne aucune assurance que les fonds ont été dépensés aux fins prévues.

4.16 La Loi exige que tous les ministères tiennent tout au long de l'année des registres détaillés de leurs engagements; néanmoins, plusieurs estiment que cela est inutile puisqu'ils n'ont jamais dépassé leurs crédits et qu'ils ne le feront probablement pas à l'avenir. D'autres ministères jugent que d'autres modes de contrôle, tel un bon système de contrôle au moyen des budgets d'exploitation et des rapports financiers, les préviennent de tout danger de dépassement des crédits, assez tôt pour prendre des mesures correctives. En outre, ils sont d'avis que l'inscription des engagements en vue de s'assurer que les limites des crédits sont respectées ne s'impose, en général, que vers la fin de l'année financière, époque où les ministères sont peut-être près d'atteindre leur plafond de dépenses annuelles.

4.17 *Les ministères dotés de systèmes convenables de contrôle budgétaire et de rapports financiers ne devraient être tenus de consigner leurs engagements que vers la fin de l'année, s'il y a lieu.*

CONTRÔLE AU MOYEN DE RAPPORTS FINANCIERS PÉRIODIQUES

4.18 Le Guide d'administration financière donne deux lignes directrices importantes concernant le contrôle des budgets d'exploitation et l'établissement des rapports financiers:

«Chaque gestionnaire de centre de responsabilité devrait contrôler l'utilisation des ressources de son budget au moyen d'un système par lequel:

- «- les coûts par éléments d'activité et par article de dépenses sont budgétisés, par période, par rapport aux réalisations projetées;
- «- les coûts réels et les résultats sont présentés par période; et
- «- les écarts entre les coûts budgétisés et les coûts réels, compte tenu des résultats, sont analysés de manière à permettre des mesures correctives.»

«Des rapports de gestion financière reliant périodiquement les coûts réels et projetés aux réalisations, devraient être préparés à l'intention des directeurs des centres de responsabilité, de leurs surveillants et des conseillers fonctionnels chargés des activités, en vue de leur fournir les renseignements nécessaires au contrôle des coûts par rapport aux réalisations.»

Ces instructions font ressortir la nécessité d'établir le budget en fonction des résultats que chaque service organique est censé atteindre, ces résultats étant prévus à leur tour par période de rapport. En déclarant sans tarder les coûts et résultats réels pour les mêmes

périodes, on peut alors analyser les écarts en vue de prendre les mesures correctives qui s'imposent.

4.19 Les structures d'activités de la plupart des ministères sont mal définies aux fins du contrôle budgétaire et des rapports financiers. Dans nombre de ministères les activités sont décrites de façon à représenter les coûts des services organiques. Dans d'autres ministères, on utilise des rubriques pour indiquer l'objet ou la nature des opérations dont le financement est prévu, mais les montants inscrits ne reflètent les coûts que très approximativement. La plupart des ministères ne semblent pas avoir fait beaucoup d'efforts pour établir le coût des divers services ou produits qu'ils ont à fournir. Dans les cas où des opérations, des services ou des projets sont prévus et que le coût en est établi aux fins de la gestion, il arrive souvent que l'information pertinente ne devient pas partie intégrante du système de contrôle budgétaire et de rapports financiers du ministère.

4.20 Un bon système de contrôle budgétaire et de rapports financiers fondé sur l'examen des écarts n'est possible que si les postes fondamentaux du budget sont correctement définis et que les coûts et les résultats sont consignés de façon cumulative, de manière à révéler le rapport qui existe entre les sommes dépensées et les résultats obtenus. Si les éléments de coûts sont bien précisés, il est alors possible d'accumuler des données pour justifier les budgets des services, et pour obtenir une base utile pour le calcul valable des coûts. Les coûts sont particulièrement utiles lorsqu'un certain nombre de services organiques utilisent le même processus, car ils permettent de comparer le rendement des centres de responsabilité.

4.21 Lorsqu'un employé participe à plus d'une activité, il est indispensable de pouvoir estimer avec précision le temps consacré à chaque activité afin d'en répartir les coûts correctement. Sans une analyse précise de ces coûts, les comparaisons et le rassemblement des données sur les coûts n'ont aucune signification lorsque la main-d'oeuvre en constitue un élément important.

Données budgétaires utilisées

4.22 La plupart des systèmes de contrôle budgétaire et de rapports financiers des ministères ne sont pas satisfaisants, parce que les budgets détaillés d'exploitation établis par nombre de ministères manquent souvent de réalisme. Nombre de ministères les intègrent très souvent aux processus d'élaboration des prévisions de programme ou du budget principal des dépenses, dont chacun intervient trop longtemps avant le début de l'année financière pour fournir une base solide de contrôle ultérieur. Bien des gestionnaires commencent l'année financière avec des budgets détaillés, fondés soit sur les totaux du budget principal des dépenses dressé cinq ou six mois auparavant, soit sur des prévisions de programme établies jusqu'à quinze mois auparavant. Il peut arriver que les budgets ne tiennent pas compte des réductions apportées aux demandes. S'ils les reflètent seuls les totaux sont arbitrairement réduits et les réductions particulières ne sont pas précisées. En outre, les budgets détaillés ne tiennent pas forcément compte des changements intervenus dans les prix, dans la situation économique, dans les plans d'exploitation ou la disponibilité

du personnel depuis l'approbation des montants initiaux. Les difficultés de comparaison s'accroissent du fait que nombre de ministères ont, ces dernières années, accumulé dans leurs budgets des fonds destinés à des postes non pourvus. Par conséquent, bien des budgets d'exploitation sont excessifs. Rares sont les services organiques qui ne comptent pas un ou deux postes non pourvus, et les fonds précités constituent une marge pour faire face aux insuffisances budgétaires dans le cas d'autres types de dépenses. Il n'est donc pas étonnant que, dans le passé, certains ministères aient pu fonctionner avec des systèmes de contrôle budgétaire inadéquats.

4.23 Pour que les budgets d'exploitation soient efficaces, il faudrait que les budgets détaillés représentent toujours une estimation réaliste, de mois en mois, des coûts et du rendement prévus dont les gestionnaires pourraient être tenus de rendre des comptes. Lorsqu'il survient des changements de plans après l'établissement des budgets détaillés d'exploitation, il convient de modifier ces derniers pourvu qu'ils soient l'objet d'un contrôle permettant de s'assurer que, dans l'ensemble, ils n'excèdent pas les affectations allouées. Les modifications budgétaires devraient suivre le même processus que les budgets initiaux afin que les changements puissent être approuvés par l'autorité compétente. Il faudrait discuter avec les gestionnaires de toutes modifications apportées aux budgets détaillés d'exploitation. Par exemple, il conviendrait peut-être de:

- supprimer des budgets détaillés d'exploitation les données de coûts et de rendement reliées aux postes vacants jusqu'à ce que ces postes soient pourvus;
- revoir les budgets détaillés d'exploitation et peut-être les rajuster si une augmentation sensible des prix est intervenue après leur établissement, pour faire en sorte que ces budgets reflètent les coûts courants et que les gestionnaires ne soient tenus responsables que des écarts qu'ils sont en droit de contrôler; et
- adopter des techniques de budget variable aux fins de la gestion interne lorsque les coûts varient selon le volume et le niveau requis de service.

Effet de l'établissement des rapports sur la base des liquidités

4.24 La plupart des ministères établissent leurs budgets d'exploitation en se fondant sur les liquidités et non sur les coûts, ce qui leur donne une certaine marge pour régler leurs paiements de fin d'année et pour grossir ou diminuer leurs stocks, de sorte qu'ils n'ont pas à compter sur des systèmes de contrôle budgétaire proprement dits. Nombre de ministères dotés de budgets mensuels d'exploitation se contentent de répartir proportionnellement sur douze mois, au lieu de les budgétiser mensuellement, les liquidités qu'ils prévoient dépenser, et ils aménagent à la fin de l'année leurs paiements au comptant de manière à appliquer leurs fonds excédentaires à l'acquisition de biens qu'ils n'auraient peut-être pas pu acquérir autrement, ou à différer certains paiements pour ne pas dépasser les crédits qui leur ont été affectés.

4.25 Les budgets fondés sur les liquidités entraînent entre les données réelles et les données budgétaires des différences majeures attribuables aux retards dans la mise en route

du traitement de la paie, des rajustements de la paie et des demandes de remboursement des frais de voyage, ainsi que dans la réception des factures. Ces décalages peuvent avoir d'importants effets lorsqu'on compare les coûts budgétisés avec les coûts réels. En outre, les données sur les décaissements au cours d'une période comptable quelconque risquent de n'avoir aucun rapport avec le genre d'information qui indique le rendement d'un gestionnaire. Lorsque des ministères tout simplement répartissent en fractions égales les fonds qu'ils s'attendent de dépenser plutôt que de le faire en se fondant sur les passifs accumulés chaque mois, il est difficile de surveiller le rendement d'un subalterne, en examinant ce qu'il a accompli, au regard des coûts subis.

4.26 Pour exercer un contrôle budgétaire plus efficace, il faut faire correspondre correctement les coûts budgétisés et réels. À cette fin, il faudrait prendre les mesures nécessaires pour réduire les décalages inhérents à la comptabilisation des liquidités, pour déterminer et répartir plus facilement les coûts au sein des services organiques. Les ministères devraient avoir des systèmes qui leur permettent d'établir les coûts avec précision. Les systèmes actuels des ministères ne sont pas de nature à satisfaire les gestionnaires qui veulent exercer un contrôle budgétaire efficace au moyen de rapports financiers.

4.27 Si l'on veut que les gestionnaires soient tenus responsables des écarts entre les résultats réels et les résultats projetés, il faut pouvoir analyser ces écarts par rapport aux données permettant d'évaluer les résultats, de façon à faire ressortir l'effet des changements selon le volume produit, la quantité des ressources utilisées et le prix de ces ressources.

4.28 Les ministères n'ont pas tous besoin du même système de contrôle budgétaire et de rapports financiers. Pour certains ministères, les instructions du Guide d'administration financière du Conseil du trésor devraient être obligatoires, et ces ministères devraient prendre sans tarder les mesures qui s'imposent pour améliorer leurs systèmes; d'autres ministères peuvent fonctionner avec des formes plus simples de contrôle de gestion. Par exemple, dans les ministères où les résultats sont intangibles et ne peuvent se mesurer facilement et où les dépenses sont largement afférentes à la paie, on peut se contenter de contrôler les dépenses au comptant, par crédit et affectation, et de compléter ce contrôle par des prévisions de caisse périodiques. Toutefois, la plupart des ministères ont besoin d'un système de contrôle budgétaire leur permettant de comparer les coûts avec l'information servant à mesurer le rendement de l'exploitation et d'analyser ainsi les écarts en vue de prendre les mesures correctives voulues.

4.29 *Les systèmes de contrôle budgétaire et de rapports financiers des ministères exigent au minimum:*

- *des éléments de coûts et des renseignements sur les coûts convenablement définis, pour que les gestionnaires puissent être tenus responsables de leur rendement;*
- *des budgets détaillés reliés à des périodes déterminées correspondant à l'attribution des responsabilités de gestion;*
- *des éléments budgétaires et comptables uniformes;*

- *l'établissement et la diffusion en temps voulu de rapports financiers périodiques; et*
- *l'analyse des écarts entre les résultats prévus et les résultats obtenus.*

Utilisation des données non financières

4.30 Dans le secteur privé, le rendement se mesure directement ou indirectement par la comparaison des revenus et des dépenses. La mesure du rendement est tout aussi importante dans le secteur public; cependant il faut y élaborer des systèmes différents pour contrebalancer l'absence d'un marché concurrentiel aux fins de mesurer la valeur des biens et services produits.

4.31 La direction de la planification du Secrétariat du Conseil du trésor a été chargée, en 1970, d'élaborer un système au moyen duquel la direction des ministères, le Conseil du trésor et le Cabinet pourraient évaluer l'efficacité et le rendement des programmes. Ce système devait avant tout permettre de mieux justifier l'affectation des ressources, mais aussi, pensait-on, de mieux refléter le rendement des gestionnaires. En janvier 1974, la direction de la planification a publié une brochure sur l'évaluation, en termes d'efficacité et du rendement des exploitations; cette brochure s'intitulait *Système de mesure du rendement de l'exploitation (S.M.R.E.)*. Ce système mesure le rendement des exploitations en établissant le rapport entre les sorties et les entrées, ou les coûts de leur production. Cela exige le rassemblement de données applicables à une année de référence, à laquelle seront comparées toutes les années futures.

4.32 La plupart des ministères ne mesurent pas systématiquement leur rendement. Lorsqu'ils recueillent des données sur le rendement, une bonne partie de l'information obtenue sur les coûts par unité n'est pas fiable. Les gestionnaires de certains ministères ont fait un effort sincère pour réunir des données valables sur les opérations. Toutefois, ces données ne sont pas intégrées aux systèmes financiers des ministères. D'autres ministères n'ont déployé, pour mettre en oeuvre le S.M.R.E., que des efforts superficiels en l'absence de la priorité qui leur aurait permis d'agir efficacement.

4.33 Pour tenir les gestionnaires responsables de leurs actes, il est indispensable de mettre au point un système permettant de mesurer leur rendement. Un tel système doit pouvoir rendre compte des résultats aussi bien que des coûts. Autant que possible, il doit s'agir de données quantitatives mesurant les sorties; néanmoins, des données qualitatives mesurant le progrès réalisé dans le sens des objectifs assignés seraient peut-être également utiles.

4.34 En comparant les données de toutes les années futures à celles de l'année de référence, le S.M.R.E. pénalise les ministères qui ont déjà atteint un niveau acceptable de rendement parce qu'il leur laisse peu de possibilités d'amélioration. Il vaudrait mieux recourir à des indicateurs de rendement tirés d'années antérieures, tout en reconnaissant que les circonstances changent et en tenant compte d'objectifs établis d'après un niveau de rendement exigeant, mais néanmoins réalisable. En outre, pour que l'information sur les

coûts soit fiable, il faudrait la tirer des systèmes de rapports financiers des ministères. L'intégration des rapports sur les résultats et sur les coûts permettrait de restreindre la variété des rapports qui constituent un fardeau pour les gestionnaires et qui engendrent des données contradictoires. Un système efficace de mesure du rendement exigerait que chaque ministère budgétise ses résultats et ses coûts et les compare avec les résultats réels au moyen d'un système de rapports financiers intégré.

4.35 *Des indicateurs de rendement doivent faire partie intégrante des systèmes ministériels de contrôle budgétaire et de rapports financiers, dans tous les secteurs pouvant être réellement mesurés.*

Approbation centralisée des systèmes

4.36 Le Guide d'administration financière du Conseil du trésor donne des instructions générales aux ministères pour les aider à mettre en oeuvre des systèmes de contrôle financier plus perfectionnés. Toutefois, la plupart des ministères n'ont pas conçu ni appliqué de bons systèmes de contrôle budgétaire et de rapports financiers, parce que, dans bien des cas, ils ne s'en préoccupent guère, du fait qu'ils estiment facile d'obtenir des fonds. Cette attitude, jointe à l'absence d'une étude efficace centralisée, explique la médiocrité des systèmes utilisés aujourd'hui par la plupart des ministères.

4.37 Les instructions du Guide d'administration financière du Conseil du trésor concernant le contrôle budgétaire devraient être obligatoires dans la plupart des cas. En outre, un organisme central devrait examiner le système de contrôle budgétaire et de rapports financiers de chaque ministère, en vue d'approuver les systèmes quand ils sont valables ou de différer l'approbation de ceux auxquels on n'a pas apporté les corrections qui s'imposent.

4.38 *Un organisme central devrait être chargé d'approuver et de réévaluer périodiquement les systèmes ministériels de contrôle budgétaire et de rapports financiers, pour s'assurer qu'ils sont de nature à satisfaire aux besoins du Parlement et du gouvernement, ainsi qu'à ceux des ministères.*

CONTRÔLE BUDGÉTAIRE CENTRALISÉ

4.39 Le Secrétariat du Conseil du trésor reçoit chaque mois deux rapports financiers du ministère des Approvisionnements et Services. Le premier intitulé «État des frais de déplacement des fonctionnaires», s'adresse à la direction de la politique administrative; il s'agit d'un indicateur des frais subis sous le régime des politiques du Conseil en matière de déplacement et de réinstallation. Le second, intitulé «Liste des comptes d'avances de caisse et des avances permanentes», s'adresse à la division de l'administration financière de la même direction, qui peut, par ce moyen, surveiller le montant des avances de fonds de roulement des ministères en les comparant aux avances autorisées. Ces rapports, qui servent à contrôler certains genres spécifiques de dépenses, ne sont pas utiles au contrôle central de

l'ensemble des dépenses ministérielles effectué par comparaison avec le Budget des dépenses ainsi qu'approuvé.

4.40 La direction des programmes reçoit un exemplaire des livres d'information sur les prévisions de trésorerie préparés tous les mois par le ministère des Finances. Ces livres indiquent les fonds réellement dépensés à ce jour et par mois, à l'égard de chaque programme important, et les dépenses prévues, par mois, jusqu'à la fin de l'année financière. Le ministère des Finances prépare ces livres dans le cadre de la fonction qui lui incombe de déterminer les besoins de caisse à court et à moyen terme. Le ministère des Approvisionnements et Services fournit des chiffres à jour sur les dépenses réelles. Les ministères présentent directement au ministère des Finances des prévisions de dépenses pour le reste de l'année. Ces prévisions sont rajustées pour tenir compte des propres projections du ministère des Finances, qui se fondent sur l'expérience acquise ainsi que sur les facteurs économiques actuels et futurs. Lorsque les ministères ne transmettent pas leurs prévisions mensuelles de caisse, le ministère des Finances se fonde sur les prévisions du mois précédent ou sur ses propres prévisions pour établir son livre d'information sur les prévisions de caisse. Le Secrétariat du Conseil du trésor n'utilise apparemment pas ce document pour contrôler les dépenses des ministères ou en faire rapport.

4.41 En outre, la direction des programmes reçoit un rapport trimestriel sur l'utilisation des années-hommes et une prévision, par trimestre, pour le reste de l'année.

4.42 Les fonctions de la direction des programmes, ainsi que décrites par le Secrétariat du Conseil du trésor, comprennent l'obligation d'«examiner les programmes approuvés en vue d'assurer une gestion efficace des dépenses, y compris le contrôle des dépenses en fonction des allocations fixées, de l'utilisation des années-hommes autorisées, de l'organisation, de la gestion des ressources affectées et des résultats de programme obtenus en conformité avec les plans de mise en oeuvre». Ces tâches d'évaluation sont essentielles au fonctionnement de tout système d'établissement de budgets; cependant, la direction des programmes ne dispose d'aucun système officiel, autre que celui des rapports trimestriels sur les effectifs, pour s'acquitter de cette fonction. On ne lui accorde qu'une faible priorité, et les efforts déployés pour contrôler l'utilisation des ressources affectées sont rares et déterminés par les besoins du moment.

4.43 Le Conseil du trésor n'a pas assumé la responsabilité statutaire qui lui incombe en ce qui touche la surveillance générale des dépenses des ministères. Ainsi, les sous-chefs se voient déléguer une vaste autorité sans qu'aucun moyen centralisé efficace ne les oblige à rendre compte de leurs actes. Compte tenu de l'organisation actuelle de la direction des programmes, il serait difficile d'y centraliser un contrôle efficace des dépenses des ministères. La direction des programmes est un service compact, auquel on a donné à dessein une ampleur restreinte pour y assurer la souplesse voulue et l'efficacité des communications internes; en outre, la direction doit faire face aux pressions dues à des délais incessants. Les exigences d'une surveillance minutieuse ne correspondent pas au niveau de compétence et de formation du personnel de la direction des programmes.

4.44 Non seulement chaque ministère devrait-il exercer un contrôle efficace sur les fonds que lui accorde le Parlement, mais encore le gouvernement dans son ensemble devrait, lui aussi, surveiller ses dépenses prévues et réelles. À cette fin, il est indispensable d'avoir, à l'échelle de l'administration fédérale toute entière, une forme quelconque de contrôle budgétaire et de rapports financiers.

4.45 Il faudrait qu'un organisme central ait la tâche de contrôler minutieusement les dépenses ministérielles à la lumière de l'information étayant le Budget des dépenses approuvé. Cet organisme devrait exiger que chaque ministère lui fournisse certains renseignements financiers normalisés, accompagnés d'une copie des rapports financiers que chaque ministère communique à son propre sous-chef. Les écarts importants entre les résultats réels et les résultats prévus devraient faire l'objet d'un examen approfondi. Afin de pouvoir bien comprendre le sens des renseignements financiers qui lui sont fournis, le personnel de l'organisme devraient se familiariser avec les budgets détaillés d'exploitation et avec les opérations des ministères. Ces renseignements seraient préparés tous les mois, de manière à informer le Conseil du trésor des écarts prévus, ce qui faciliterait l'adoption de toutes mesures correctives jugées nécessaires.

4.46 *Il faudrait préparer un rapport mensuel fondé sur l'analyse des budgets et des dépenses des ministères, ainsi que sur les écarts, de façon que le Conseil du trésor puisse prendre des mesures pour contrôler les dépenses en trop ou pour bloquer les ressources excessives.*

V SYSTÈMES COMPTABLES

5.1 Le gouvernement fédéral possède deux systèmes principaux de traitement centralisé de l'information financière: le système comptable général et celui de la paie du ministère des Approvisionnements et Services (M.A.S.). Bien que les deux systèmes soient intégrés dans la mesure où les renseignements sur les dépenses sont finalement consignés dans les mêmes comptes, ils sont indépendants et seront donc étudiés séparément dans le présent chapitre.

SYSTÈME COMPTABLE GÉNÉRAL DU MINISTÈRE DES APPROVISIONNEMENTS ET SERVICES (M.A.S.)

5.2 La loi instituant le ministère des Approvisionnements et Services habilite celui-ci à fournir aux ministères et organismes les services communs nécessaires au soutien de toutes leurs activités, y compris celles qui ont trait à la comptabilité, à la gestion de la trésorerie et au traitement des données. La responsabilité statutaire en ce qui touche la tenue des comptes centraux du Canada incombe au Receveur général du Canada. Comme le Ministre des Approvisionnements et Services cumule les fonctions de Receveur général du Canada, son ministère a deux mandats à remplir en ce qui concerne ses systèmes comptables.

Description du système

5.3 Le traitement de l'information comptable et la préparation de rapports financiers à partir des données émanant du système comptable central, commence par un dépôt au comptant ou l'établissement d'un chèque dans l'un des divers bureaux que possède le M.A.S. dans les districts, régions ou la Capitale nationale et où l'opération de caisse est enregistrée. Les ministères et organismes transmettent les données comptables de base en lots aux bureaux de service du M.A.S., à diverses dates, au cours du mois. Les lots peuvent comporter des demandes d'émission de chèques, des reçus de fonds, des corrections ou rajustements de l'information déjà existante, ou des données non financières de nature statistique. Les données extraites des lots sont alors codées, généralement sur ruban magnétique, et transmises au centre de traitement des données à Ottawa. Si la matière à traiter comporte des demandes de paiement, les chèques sont établis par les bureaux locaux.

5.4 Chaque fois qu'il y a lieu, les données de base établies par les ministères indiquent le rapport qui existe entre les transactions et les crédits votés par le Parlement. En outre, ces transactions sont classées en fonction des affectations déterminées par le Conseil du trésor, selon les comptes de coûts spécifiés par les ministères pour leur propre information et les autres comptes expressément destinés à fournir des données aux organismes centraux. Les ordinateurs rendent cette saisie de données à destination multiple non seulement pratique, mais économique. Toutefois, ce système même s'il a été modernisé quelque peu par rapport à la conception qu'on s'en était faite à la fin des années cinquante ou au début des années soixante, fait encore appel à bon nombre des procédures et méthodes de cette époque mixte de traitement mécanique et de traitement électronique.

5.5

Le M.A.S. fournit aux ministères trois genres d'états financiers:

- des états récapitulatifs de trésorerie, étayés de listes détaillées des transactions, indiquent les dépenses, les recettes et les rajustements. Le M.A.S. produit tous les mois environ 2,400 états de ce genre pour les ministères et organismes clients;
- des états de gestion et de soutien de la gestion, établis dans les limites du système central, mais en conformité des exigences des ministères et des organismes, fournissent le détail ou la récapitulation des recettes et des dépenses de la période comptable visée et depuis le commencement de l'année, par secteur de responsabilité. Ces états comparent souvent les données réelles avec les montants prévus, et peuvent aussi indiquer séparément les engagements, les sommes courues et les données statistiques, ou les indiquer suivant les modifications des données de trésorerie. Quelque 2,000 états de ce genre sont produits à la fin du mois; et
- un système connu sous le sigle S.I.O.C. (Système d'information des organismes centraux) produit des rapports sur l'ensemble de l'administration fédérale. Le S.I.O.C. a été conçu pour fournir des renseignements financiers aux organismes centraux, notamment le ministère des Finances, Statistique Canada et la Banque du Canada, le Receveur général en étant un principal usager. Le système, qui extrait des données des comptes des ministères, produit:
 - une série d'états provenant du grand livre, lesquels constituent la source des états mensuels qui paraissent dans la Gazette, ainsi que quelques-unes des données du premier volume des Comptes publics; et
 - diverses listes d'opérations de caisse et divers états de dépenses pour la gestion de la trésorerie et à des fins statistiques.

5.6

Bien que la description qu'on vient de donner du système comptable s'applique à celui de la plupart des ministères et organismes, quelques ministères ont pris des dispositions spéciales. Par exemple, pour des raisons de sécurité et pour répondre à des besoins spéciaux de renseignements, le M.A.S. a établi des bureaux d'émission de chèques aux sièges du ministère de la Défense nationale et de la Gendarmerie royale du Canada. Cependant, la plupart des rapports de gestion sont établis dans les services du bureau central de ces ministères plutôt que par l'ordinateur principal qu'exploite le M.A.S. Les renseignements courants qui doivent figurer dans les comptes centraux sont conservés sur des documents se prêtant à la lecture électronique pour transmission au système informatique central.

Lien avec les systèmes ministériels distincts

5.7

Un certain nombre de ministères ont cherché les moyens de remettre à leurs gestionnaires des renseignements plus exacts et en temps plus utile. Environ 70% des ministères examinés ont mis sur pied ou sont en train d'élaborer des systèmes distincts de rapports propres à satisfaire la totalité ou une partie de leurs propres besoins. Dans bien des cas, cette pratique les contraint à produire en double les données de base destinées au

M.A.S. et à les traiter à l'aide de leur propre ordinateur ou d'ordinateurs de l'extérieur. Le M.A.S. poursuit son propre traitement des données et, à moins d'avis contraire, présente ses rapports aux ministères. Les ministères concilient alors leurs opérations comptables traitées par leur propre ordinateur avec celles qui ont été traitées par le M.A.S. Certains ministères dotés de systèmes distincts de rapports négligent de concilier leurs inscriptions d'opérations de caisse avec celles du M.A.S., de sorte que des erreurs peuvent se glisser dans la répartition des inscriptions comptables dans un système ou les deux et passer inaperçues pendant un certain temps.

5.8 Voici les causes de discordances entre les données fournies par les systèmes des ministères et celles du système central du M.A.S.:

- les ministères enregistrent les coûts salariaux à partir des mêmes listes de paie que le M.A.S., mais les listes de paie du M.A.S. ne sont pas contrôlées d'une manière qui permette de s'assurer que les mêmes données d'entrée s'insèrent dans les deux systèmes;
- les ministères corrigent souvent les erreurs de codage des données de base pendant la même période comptable où elles se produisent, tandis que le M.A.S. rejette les transactions, si les corrections ne lui parviennent pas à temps, et les inscrit comme articles non applicables aux fins de les corriger et de les inscrire dans une période comptable subséquente; et
- d'ordinaire, le système du M.A.S. englobe toutes les inscriptions de journal préparées à l'extérieur, et le système du ministère enregistre toutes les inscriptions préparées chez eux; cependant le contraire n'est pas toujours vrai.

Limitations du système central

5.9 Les objectifs officiels du système comptable central sont de «fournir aux gestionnaires tant des organismes centraux que des ministères des renseignements quantifiables sur la gestion des finances, du personnel et des opérations». Le système est donc conçu pour fournir:

- des données sur les revenus, y compris les sommes correctement défalquées des dépenses;
- l'analyse des dépenses par crédit, par programme, par activité, par article et par responsabilité, avec comparaisons au budget;
- des analyses de coûts, de l'information statistique, des données sur la mesure du rendement et sur l'effectif;
- des informations servant au contrôle de l'actif et du passif, à l'intention des organismes centraux et des ministères; et
- la souplesse nécessaire pour intégrer les contrôles reliés aux affectations, aux engagements et d'autres contrôles budgétaires.

5.10 Les objectifs reflètent des pratiques judicieuses de gestion financière; cependant, ils ne sont pas atteints à cause d'un certain nombre de facteurs. Par exemple:

- la liaison entre les ministères et le M.A.S. doit être renforcée parce que:
 - souvent les agents de liaison ne demeurent pas au M.A.S. assez longtemps pour bien comprendre les possibilités du système de rapports financiers, de sorte que certains ministères clients n'utilisent pas le système au mieux de leurs intérêts;
 - il y a eu tendance à apporter les changements demandés aux systèmes fournissant des rapports aux ministères et organismes sans une mise à l'épreuve suffisante, ce qui a entraîné des retards, des frais injustifiés et du mécontentement des ministères clients à l'égard du système du M.A.S.;
 - à part les instructions du guide de l'utilisateur sur la façon de préparer les données d'entrée du système de rapports financiers, il n'existe pas d'exposé général du système et de ses possibilités qui puisse aider les agents de liaison et les ministères à le mieux comprendre. Bien que certains éléments du système de rapports financiers aient fait l'objet d'explications écrites, il faudrait que le système lui-même soit explicité et présenté sous une forme globale facile à comprendre; et
 - les demandes de rapports spéciaux émanant des ministères clients n'ont pas été bien évaluées du point de vue des coûts et des avantages. Il s'ensuit que, dans quelques cas, des changements ont été faits sans guère de justification du point de vue économique;
- le système ne produit pas facilement les renseignements nécessaires à la gestion, parce qu'il n'a pas été conçu pour récapituler les données financières clés, sauf à la fin de la période comptable. De plus, l'accroissement du volume des opérations comptables a ralenti la distribution des rapports au point que certains gestionnaires ne reçoivent leurs rapports qu'entre le 15 et le 20 du mois suivant, même si l'arrêté comptable des transactions inscrites aux états s'est fait dans les huit derniers jours ouvrables du mois précédent. Les états ne correspondent pas à un mois civil, c'est-à-dire à la période de couverture qu'ils indiquent;
- la distribution des rapports aux ministères et aux organismes cloche. Le centre informatique du M.A.S. offre un service d'expédition direct, mais seulement douze ministères l'utilisent. Il se peut qu'un manque de ressources au sein du M.A.S. ait empêché les ministères d'utiliser davantage ce service. Les états destinés aux autres ministères et organismes sont expédiés en vrac à des bureaux situés à Ottawa pour que ceux-ci les distribuent à Ottawa et aux bureaux extérieurs. Cette étape intermédiaire risque de retarder jusqu'à deux semaines la distribution des états aux gestionnaires;
- les exigences en matière de données d'entrée n'ont pas été suffisamment normalisées; il en résulte certains problèmes. Entre autres:
 - le M.A.S. n'a qu'un contrôle restreint sur la fréquence de transmission des données

d'entrée des ministères. La plupart des données ne sont transmises que vers la fin du mois, ce qui contribue à créer des périodes d'encombrement dans le service informatique et à retarder l'établissement des états;

- le bloc de codage utilisé pour établir les dépenses des ministères, par programme, par crédit, par centre de responsabilité et par nature a été uniformisé il y a plusieurs années, de manière à comporter 25 chiffres. Toutefois, il existe une uniformisation minimale à l'intérieur du bloc de codage. Par conséquent, les ministères et les organismes utilisent des longueurs de codes très variées, allant d'un minimum de quatre chiffres à un maximum de 25. Le nombre moyen qu'utilisent bon nombre de ministères semble être de 12 à 15. Des blocs de codage de cette longueur entraînent facilement des erreurs, dont la correction coûte déraisonnablement cher; et
- en raison du manque de blocs uniformes de codage, le personnel des bureaux de service du M.A.S. peut difficilement utiliser des sous-programmes d'ordinateur pour déceler les erreurs à la source;

les sous-programmes destinés à alimenter l'ordinateur en données de base se ressentent des difficultés suivantes:

- les installations de transmission sont restreintes pour ce qui est du transfert des données entre les ordinateurs régionaux et l'ordinateur central. On a donc attribué à chaque bureau régional de service une période déterminée pour transmettre ses données selon un calendrier contrôlé. Le volume des données transmises est si considérable que la transmission des données dans les deux sens a été jugée non pratique, vu la capacité actuelle du système. La transmission à sens unique ne permet pas d'utiliser les installations pour retransmettre aux bureaux régionaux les données erronées pour qu'elles soient promptement corrigées; et
 - le système de mise en mémoire et de tenue à jour du fichier est essentiellement séquentiel, ce qui rend impossibles une sélection et analyse aléatoires étendues. Bien que l'on assure un certain traitement quotidien et hebdomadaire du fichier pour réduire les surcroûts de travail en fin de mois, la plupart des données sont conservées sous une forme détaillée jusqu'à la production des états, ce qui signifie que l'information est récapitulée en une seule fois;
- les rapports émanant du système, comportent les lacunes suivantes:
- les ministères et les organismes reçoivent toujours des listes de leurs transactions (recettes, dépenses et rajustements), en même temps que des résumés de ces données, conformément à des prescriptions prédéterminées. Les rapports de nature diverse: états de trésorerie, de gestion et de soutien de la gestion, renferment des renseignements qui se répètent. Rarement fournissent-ils des données financières complètes sur les coûts des services, des travaux ou d'autres exploitations. En outre, il arrive souvent que les comparaisons de ces données avec celles du budget

sont vaines, parce qu'il est difficile de s'assurer que les coûts réels et les coûts budgétisés correspondent à la même période financière;

- étant donné la diversité des points-d'arrêt les états englobent souvent des opérations se rapportant à au moins deux périodes comptables. Par exemple, les données reliées aux dépenses peuvent comprendre la période allant du 24 d'un mois au 23 du mois suivant; celles de la liste de paie peuvent s'appliquer jusqu'au 26; les rajustements peuvent avoir trait à des données applicables 40 à 60 jours avant la période courante;
- les données indispensables à l'établissement des comptes centraux du Canada sont les dernières de celles qu'il faut grouper dans le cycle de production et ne sont pas disponibles avant le milieu du mois suivant; et
- les états du système d'information des organismes centraux (S.I.O.C.) ne fournissent pas de comparaisons avec le budget annuel, ni guère de renseignements sur les articles non budgétaires.

5.11 Le M.A.S. est conscient de ces problèmes. Il a examiné les moyens d'améliorer la situation et il a demandé des fonds au Conseil du trésor à cette fin. Les changements apportés au système comptable du M.A.S. pendant l'année financière prenant fin au 31 mars 1975 n'étaient pas de nature à permettre aux ministères de résoudre nombre de leurs problèmes lorsqu'il s'agit de fournir des renseignements plus exacts et en temps plus utile. Il se peut que le manque de ressources nécessaires pour corriger les lacunes actuelles ait entravé les efforts du M.A.S. visant à réaliser des améliorations importantes.

5.12 Le système est relativement souple et peut fournir aux gestionnaires et aux organismes centraux des renseignements sur les budgets, les coûts et les mesures du rendement, aussi bien que des données de trésorerie, mais ces possibilités sont peu ou mal utilisées. Le mécontentement des ministères et des organismes clients qui qualifient les données d'inexactes et d'inopportunes porte atteinte à la valeur du système. Pour que la gestion financière soit améliorée, il faut que les gestionnaires disposent des données financières dont ils ont besoin pour contrôler et être contrôlés, de façon à pouvoir établir d'autres programmes d'action qui leur permettent d'atteindre les objectifs de leur activité ou de leur programme sans dépasser leur budget.

5.13 Comme les ministères ne reçoivent pas les données nécessaires en temps voulu, bon nombre d'entre eux se sont dotés de systèmes auxiliaires. Ce dédoublement d'efforts est coûteux, car les ministères, les organismes et le M.A.S. s'occupent tous les trois de faire les opérations d'entrée, de traiter les données, de fournir des rapports, d'analyser les causes des écarts et de corriger les erreurs.

5.14 D'après nos examens, les ministères qui semblent les plus satisfaits de leurs services comptables et de rapports de gestion sont ceux qui reçoivent des services spéciaux du M.A.S. ou ceux qui sont indépendants du système de celui-ci et qui ne lui fournissent que les données indispensables à l'établissement des comptes centraux.

Possibilités d'amélioration

5.15 Un comité interministériel a rédigé, en octobre 1974, un rapport qui exposait la plupart des lacunes et qui proposait un plan d'action. En résumé, le rapport recommandait un certain nombre de mesures à prendre pour:

- assurer la présentation des rapports présentés aux ministères et aux organismes en temps plus utile;
- améliorer l'exactitude des rapports;
- accroître la souplesse générale du système de rapports; et
- prévoir les besoins en matière de comptabilité d'exercice, d'établissement du budget, des programmes d'analyses de l'actif et du passif et d'analyse de trésorerie.

5.16 Le comité prévoit qu'il en coûtera quelque \$3.5 millions au cours des cinq prochaines années si l'on apporte aux systèmes les améliorations projetées. En outre, le prix de la mise au point d'un système central d'établissement de rapports, travail qui ferait partie intégrante du plan d'action, s'élèverait à \$2.3 millions. Le comité a proposé une nouvelle conception du système qui fait appel aux mêmes principes que ceux du système actuel selon lesquels le M.A.S. traite et établit les rapports de comptabilité et de gestion de tous les ministères à titre de service. En raison de son mandat, le comité n'a pas cherché sérieusement d'autres formules qui lui permettraient d'accélérer la présentation des rapports en temps utile et de rapprocher davantage de la fin du mois les dates d'arrêt du traitement des données. Par exemple:

- les ministères dotés de systèmes comptables et de traitement des données pourraient préparer toutes leurs propres données financières, pourvu qu'ils fournissent aux bureaux de service du M.A.S. les données pour la préparation des chèques et autres renseignements d'ordre financier et statistique nécessaires à l'établissement des comptes centraux. Selon cette formule, le M.A.S. continuerait à préparer les chèques et à inscrire les données de trésorerie et autres données fournies par les ministères dans les comptes centraux: et
- le Receveur général pourrait déléguer les responsabilités de la préparation des chèques aux ministères dotés de systèmes comptables et de traitement des données et qui démontrent qu'ils peuvent assurer, au nom du Receveur, des contrôles internes suffisants sur les décaissements. Selon ce système, les ministères assumeraient l'entière responsabilité de la préparation de leurs propres rapports financiers et de celle de leurs propres données d'entrée pour les comptes centraux, d'une manière qui convienne au Receveur général. Le M.A.S. continuerait d'être responsable de la compensation des chèques et du contrôle de toutes les sommes prélevées sur le Fonds du revenu consolidé ou qui y sont versées.

5.17 Selon l'un ou l'autre de ces systèmes, les ministères et organismes qui n'ont pas les services nécessaires pour traiter leurs propres données comptables continueraient de

le faire selon le même arrangement que celui qui existe actuellement. En d'autres termes, le M.A.S. fournirait un service comptable qui utiliserait les documents de base des ministères, mais qui seraient préparés selon la forme normalisée.

5.18 Une autre formule que l'on pourrait envisager consisterait à utiliser les bureaux de service régionaux du M.A.S. pour préparer les données de gestion des ministères et des organismes. Cela comporterait un plus vaste emploi des communications entre les services informatiques des bureaux central et régionaux, afin de réunir les données destinées au bureau central des ministères et de s'assurer que les états des centres de responsabilité produits dans les régions sont rectifiés de manière à refléter les inscriptions comptables provenant des divers services du bureau central. De plus, il faudrait insister davantage sur le contrôle de la validité des données émanant des ministères, au moment de leur introduction dans le système de traitement, plutôt que d'exercer ce contrôle seulement après la réception des données, à Ottawa, comme cela se fait actuellement.

5.19 Chacun des systèmes proposés suppose une certaine forme de décentralisation. Cependant, aucun d'eux n'implique une réduction des attributions du Receveur général, soit:

- administrer le Fonds du revenu consolidé;
- fournir quotidiennement aux organismes centraux des analyses des entrées et des sorties de fonds et des autres transactions intéressant le Fonds du revenu consolidé;
- fournir quotidiennement à la Banque du Canada une analyse des chèques en devises étrangères, de la compensation de chèques, etc.;
- fournir aux ministères des états de solde de leurs crédits et autres comptes de contrôle;
- établir les états mensuels qui paraissent dans la Gazette; et
- fournir des analyses de dépenses, par classe d'objet économique et autres classes semblables, au besoin.

5.20 Le coût des programmes proposés de saisie des données et de préparation des rapports devrait aussi être évalué par rapport à celui que comporteraient les améliorations et la nouvelle conception des systèmes actuels qui, s'ils sont approuvés, atteindrait environ \$5.8 millions au cours d'une période de cinq ans. De plus, en pesant le pour et le contre des programmes possibles envisagés, il faudrait évaluer la qualité relative des systèmes ministériels qui ont été appliqués ou qui sont en voie d'être adoptés, afin de parer aux déficiences du système d'établissement de rapports du M.A.S. Il conviendrait en outre de déterminer ce qu'il en coûterait pour que les systèmes ministériels répondent aux exigences essentielles de la préparation des données centrales. Quoi qu'il en soit, à moins d'entreprendre une évaluation de la formule plus décentralisée, on ne saurait avoir l'assurance que la proposition qu'a fait valoir le comité interministériel est la meilleure solution pour répondre, à un coût raisonnable, aux normes concernant l'exactitude et la périodicité des rapports.

5.21 Voici quelques-uns des avantages qui découleraient le plus vraisemblablement de la mise au point d'un moyen décentralisé pour produire des systèmes ministériels de comptabilité et de rapports connexes:

- l'établissement des rapports des ministères et des organismes centraux serait accéléré parce que plus d'un ordinateur serait mis à contribution pour récapituler les données, ce qui éliminerait les problèmes liés au groupement séquentiel des données dans le système actuel;
- le contrôle des liquidités et des rapports y afférent au moyen de pièces comptables du Fonds du revenu consolidé serait maintenu;
- les erreurs seraient décelées et corrigées plus rapidement, parce que le traitement décentralisé des données permettrait de contrôler la validité des données dès leur introduction dans le système de traitement; et
- la mise sur pied des S.M.R.E. dans les ministères sur une base qui s'intégrerait aux comptes financiers serait facilitée.

5.22 Il y aurait évidemment des désavantages, dont les plus importants sont les suivants:

- dans l'application de certains systèmes proposés, le M.A.S. aurait moins de contrôle sur la qualité et la date de transmission des données provenant des ministères. Néanmoins, il pourrait y avoir amélioration à ces égards, puisque les ministères et les organismes devraient établir des normes applicables à leurs propres systèmes et méthodes de traitement, plutôt que de les faire préciser par le M.A.S.; et
- les dépenses afférentes à la rémunération du personnel et au traitement informatique risqueraient d'augmenter, mais cela n'est pas sûr, étant donné le double emploi des systèmes mis au point et employés par bon nombre de ministères et d'organismes.

5.23 Si l'on n'améliore pas le système actuel, les critiques persisteront quant aux dates de parution, à l'exactitude et au contenu des rapports. Dans les principaux ministères clients on met ouvertement en doute que le système du M.A.S. puisse être amélioré ou qu'il le sera; il semble donc fort probable que le nombre des systèmes indépendants s'accroîtra. Si l'on veut maintenir le système central sur sa base actuelle et en attester de nouveau l'utilité comme moyen de service, il faut prendre des mesures pour en corriger les imperfections. Selon l'expérience, il est peu probable qu'on parviendra à l'améliorer vraiment sans adopter un mode plus décentralisé de mise au point du système.

5.24 *Il faudrait entreprendre une étude aux fins de découvrir le meilleur moyen de produire des rapports financiers exacts et présentés en temps voulu pour les ministères et les organismes.*

SYSTÈMES DE PAIE

5.25 Le système de paie du M.A.S. verse une rémunération à plus de 300,000 fonctionnaires et employés à l'heure, y compris le personnel civil de la Gendarmerie royale et des Forces armées du Canada. Les charges salariales de l'État fédéral représentent une dépense périodique considérable et interviennent pour 18% dans le budget fédéral. Du point de vue de la gestion financière, les services de paie doivent établir les chèques avec promptitude et efficacité tout en s'assurant que les données salariales sont exactes, en prenant les mesures nécessaires pour prévenir les fraudes et le mésusage de fonds et en veillant à ce que les dépenses n'excèdent pas les prévisions budgétaires.

5.26 Les services de paie actuels sont régis par un décret du conseil émis en 1969, conformément aux articles 46 et 47 de la Loi sur l'organisation du gouvernement. Les articles les plus importants sont les suivants:

«Il incombe au ministre (Approvisionnement et Services) de fournir les services ci-après, administratifs et autres, requis pour le versement de la rémunération des employés de la fonction publique...

- «a) la vérification des données personnelles pertinentes communiquées aux bureaux de la paie, en vue de faire commencer, modifier ou cesser le versement des rémunérations et la déduction des retenues;
- «b) la compilation et le calcul des rémunérations;
- «c) le contrôle du libellé des chèques, leur préparation et leur conservation jusqu'aux dates d'émission prédéterminées;
- «d) la production des états où sont consignés les frais complémentaires d'établissement de la paie et la ventilation des dépenses;...»

5.27 L'application des systèmes de paie suivants permet de remplir ce mandat:

- les systèmes centraux de paie qui établissent essentiellement la rémunération de tous les employés de l'État touchant un traitement annuel;
- les systèmes de paie régionaux qui s'occupent surtout d'établir la rémunération des employés payés à l'heure; et
- les systèmes de paie de la Chambre des communes et de l'Imprimerie, deux petits systèmes de paie, mais distincts.

5.28 La révision des systèmes de paie central et régionaux appliqués par le M.A.S. s'impose pour répondre aux normes élémentaires d'une bonne gestion financière. C'est pourquoi le présent Rapport s'attache surtout aux faiblesses de ces deux systèmes et propose des moyens d'y remédier. Nous n'avons pas examiné les systèmes de paie de la Chambre des communes et de l'Imprimerie.

5.29 En 1969, on a entrepris d'élaborer un système de paie modifié devant remplacer les systèmes central et régionaux pour répondre à une demande expresse d'analyse détaillée des données sur la classification du personnel et satisfaire au besoin de renseignements sur le personnel aux fins des négociations collectives. En 1974, on a mis sur pied un projet témoin pour faire l'essai du nouveau système envisagé. Le projet témoin a posé tant de difficultés qu'on a interrompu la conversion au nouveau système en attendant le résultat de la réévaluation détaillée des besoins et des meilleurs moyens à prendre pour y satisfaire. A la suite de cette réévaluation, on a finalement décidé, le 12 mars 1975, d'arrêter l'étude du nouveau système envisagé. Peu d'améliorations importantes ont été apportées aux méthodes que comporte le système de paie actuel, par suite des travaux de révision majeurs projetés.

5.30 Le caractère répétitif des transactions de paie rend possible l'emploi de sous-programmes de relevé des exceptions. Ainsi, lorsqu'un employé est inscrit sur la liste de paie, sa rémunération fait l'objet d'un traitement, à intervalles réguliers, jusqu'à ce que le système soit informé d'un changement de statut de cet employé. Le calendrier du traitement et de l'expédition des chèques par le système central est actuellement le suivant:

L'établissement des chèques commence - 15 jours avant la date de paie

Les chèques sont prêts à poster - 11 jours avant la date de paie

Ce calendrier ne tient pas compte du temps qu'il faut au ministère de l'employé pour établir les données sur le personnel ni celui que prend le M.A.S. pour traiter et enregistrer les modifications. Si l'on ajoute ces lacunes au calendrier susmentionné, de 30 à 40 jours peuvent s'écouler entre le moment où l'on commence à modifier les données salariales d'un employé et celui où ces modifications se traduisent sur son chèque. Ce délai peut être moins long selon la priorité donnée à la transaction. Ces retards que subissent l'enregistrement ou la rectification des dépenses salariales est un des éléments de ces dépenses qui ne figurent pas à temps dans les rapports financiers.

5.31 On utilise une formule spéciale imprimée à l'avance pour réunir les renseignements servant aux systèmes de paie. Établie par le ministère de l'employé, cette formule renferme une vaste gamme d'informations, et sauf les rajustements pour le temps supplémentaire, fournit tous les autres renseignements nécessaires pour ajouter des écritures au registre de paie ou en retrancher.

5.32 La plupart des fonctionnaires qui, dans les ministères, s'occupent du traitement des données sur la paie, s'acquittent surtout de travaux de bureau courants. Lorsqu'on les interroge au sujet des rajustements de salaire ou de la distribution des chèques de paie, ils répondent habituellement que ces questions relèvent du centre de paie du M.A.S. Le fait de s'en remettre indique, dans bien des cas, que la responsabilité ministérielle est mal assumée. Il n'a pas été clairement précisé si c'est aux ministères ou au M.A.S. qu'il incombe d'exercer un contrôle financier adéquat sur l'exactitude du calcul de la rémunération de l'employé et de la répartition des éléments de celle-ci dans les comptes financiers.

5.33 Étant donné le nombre d'employés et d'endroits desservis, le système actuel ne peut pas répondre promptement aux besoins d'un employé en particulier ou, dans bien des cas, de ceux d'un ministère. Les systèmes informatiques peuvent être incapables de réagir dans le cas de tel ou tel employé, mais cette incapacité est ordinairement compensée par leur aptitude à répondre promptement à des besoins pressants et d'éviter ainsi la répétition d'injustices. Le système actuel est trop lent à réagir aux changements de statut d'un employé, notamment sa reclassification, sa paie ou le rajustement des écritures qui le concernent dans le registre de paie. En outre, le système ne fournit pas toutes les données sur les coûts ni toutes les autres données financières absolument indispensables à tout système financier ou tout autre système d'information de gestion.

5.34 On n'a pas déterminé dans quelle mesure on peut attribuer ces problèmes aux ordinateurs et à la diversité des appareils utilisés pour le traitement des données. Divers fabricants d'ordinateurs et de matériel périphérique ont fourni l'équipement qui sert au traitement des données de paie dans les services central et régionaux. L'emploi de cette variété d'appareils entraîne des retards de traitement et des frais, sans doute non négligeables.

5.35 Pour mieux répondre aux besoins financiers des employés et des ministères, il faut réduire les délais qui se produisent dans le cycle de traitement des données. À cette fin, on pourrait notamment déposer la paie de l'employé à son compte en banque, directement, faire établir le chèque de l'employé par un bureau situé plus près de son lieu de travail ou expédier les données d'entrée directement, par télécommunication, du bureau de l'employé à un service central d'établissement des chèques. Dans les cas où de nouveaux employés sont engagés 30 jours ou plus avant la date à laquelle ils reçoivent leur premier chèque de paie, cela crée une situation nuisible à une bonne gestion financière et aux bonnes relations de travail. En outre, lorsqu'on tarde à rayer le nom d'un employé de l'effectif, il s'ensuit que des chèques continuent de lui être envoyés après son départ. Dans ces circonstances, il y a manifestement risque qu'un tiers contrefasse la signature du bénéficiaire.

5.36 Le système actuel centralise au M.A.S. le contrôle de toute l'information sur la paie. Cela étant, les ministères ne s'acquittent pas de leur responsabilité de contrôler, comme il convient, le salaire de leurs employés. Ils fournissent les renseignements nécessaires, mais laissent au bureau du M.A.S. le soin de se prononcer ou de traiter l'information. Les ministères, y compris leurs bureaux régionaux, devraient contrôler l'information pour ce qui est de sa validité, de son exactitude et de la présentation des renseignements en temps voulu. Pour sa part, le M.A.S. devrait établir et expédier les chèques et fournir des rapports fondés sur les renseignements qui lui parviennent, de manière à satisfaire les ministères et à répondre aux besoins des organismes centraux. Ces rapports devraient, par exemple, contenir les données qu'utilise le Conseil du trésor dans le cas des négociations de contrats, ainsi que des données sur l'emploi nécessaires à Statistique Canada, sur les contributions à la Caisse de retraite et sur la classification aux fins de la Commissions de la Fonction publique.

5.37 Environ 40% des commis aux écritures du M.A.S. dont le travail se rattache au service de la paie, ont pour tâche de transcrire l'information reçue des ministères avant qu'elle soit introduite dans l'ordinateur. Cette information comprend les additions et les radiations aux listes de paie, les changements de classe des employés, ainsi que les changements reliés à la rémunération, aux avantages sociaux, à l'état civil, au lieu de travail de l'employé et à la répartition des éléments de sa paie. Dans un tel éventail d'aspects, des erreurs se produiront. Peut-être serait-il plus pratique d'établir des formules sur lesquelles la statistique sur le personnel soit distincte des données sur la paie. La normalisation des procédés et méthodes s'impose, mais il faudrait la simplifier le plus possible dans les cas où il s'agit d'un vaste ensemble de fonctionnaires. Dans l'élaboration des méthodes il faut se préoccuper surtout de celles susceptibles d'être comprises rapidement par le commis le moins qualifié et le plus nouveau qui serait appelé à travailler dans le domaine visé. En outre, le ministère de l'employé devrait avoir pour tâche de veiller à ce que les données transmises aux bureaux de paie, central et régionaux, soient exactes et présentées à temps. L'organisme central ne devrait être responsable que du traitement exact de la matière qu'il reçoit et des données comptables de sortie nécessaires.

5.38 *Il faudrait entreprendre une étude qui préciserait la manière dont les ministères pourraient mieux préparer et contrôler leurs documents de paie jusqu'au moment de les transmettre à des bureaux de paie, central ou régionaux, du ministère des Approvisionnements et Services, ces bureaux n'étant chargés que de la préparation des chèques et de l'application des systèmes et méthodes requis pour traiter les données de paie, faire les retenues appropriées et fournir aux organismes centraux les renseignements nécessaires.*

VI CONTRÔLES FINANCIERS

6.1 Les systèmes financiers comportent des contrôles corrélatifs et des contrôles comptables propres à assurer l'intégralité et l'exactitude de toutes les opérations et de tous les renseignements financiers et à confirmer que toutes les opérations ont été correctement autorisées. Les méthodes utilisées pour appliquer les techniques de contrôle financier sont assez techniques, mais les principes fondamentaux sont simples. Il est clair que le gouvernement doit appliquer ces principes s'il veut bien contrôler l'emploi des fonds affectés à son usage par le Parlement.

6.2 L'élaboration des contrôles financiers repose généralement sur le principe fondamental selon lequel:

- les fonctions devraient être soigneusement réparties de manière qu'un employé ou un élément d'un système puisse contrôler d'une manière indépendante et efficace l'intégrité et l'exactitude d'un autre employé ou élément du système, sans qu'il y ait double emploi inutile; et
- le contrôle devrait être établi aussitôt que possible et assuré tout au long des diverses étapes du traitement manuel, mécanique et électronique des données.

6.3 La loi et la pratique veulent que le sous-chef d'un ministère ou d'un organisme assume la responsabilité des systèmes de contrôle financier, de concert avec le Conseil du trésor, le Receveur général et le ministre dont relève le sous-chef.

6.4 La Loi sur l'administration financière donne au Conseil du trésor le pouvoir d'agir en ce qui regarde toutes les questions d'administration financière et, plus particulièrement, d'édicter des règlements sur la perception, la gestion et la comptabilité des fonds publics, ainsi que sur la tenue des registres des biens de l'État. L'un des moyens utilisés pour exercer ce pouvoir a été d'édicter des règlements dont la plupart remontent à plusieurs années. Ces règlements ne sont pas complets. Ils établissent les normes minimales quant à la forme et au calendrier de certains genres d'opérations déterminées et à l'autorisation nécessaire pour les effectuer. Plutôt que de multiplier ces règlements, le Conseil du trésor les a complétés par le bref aperçu de sa politique, les directives et les lignes directrices exposées dans le guide d'administration financière.

6.5 La Loi sur l'administration financière confie au Receveur général certaines responsabilités en matière de contrôle financier. Tous les paiements doivent être faits sur les instructions du Receveur général et sous son contrôle, et tous les fonds publics doivent être versés à son crédit. En outre, la Loi sur le ministère des Approvisionnements et Services autorise ce Ministère à fournir un certain nombre de services qui, de par leur nature, exigent des contrôles financiers puisqu'ils fournissent une gamme très étendue de services financiers aux ministères et aux organismes.

6.6 Les responsabilités particulières d'un ministre en matière de contrôle financier découlent des pouvoirs que lui confère la Loi sur l'administration financière, bien que

ces pouvoirs soient habituellement délégués. En vertu de la Loi, seul le ministre compétent, ou une personne autorisée par lui et par écrit, peut faire une demande de paiement ou une imputation sur un crédit.

6.7 Le sous-chef a la responsabilité générale de tous les aspects de l'administration mais la Loi et les règlements lui attribuent plus spécifiquement certaines responsabilités en matière de contrôle financier. Ces responsabilités ont pour objet, notamment, le contrôle et la vérification internes et le contrôle des engagements.

6.8 Presque tous les genres de transactions financières, qu'elles portent sur les dépenses, la paie, les revenus ou la gestion du matériel, sont soumises aux contrôles exigés par la Loi, par les règlements ou les directives des organismes centraux. Il arrive souvent que nombre de travaux d'écritures concernant des aspects déterminés du contrôle financier ne sont pas dirigés comme il le faut ou suffisamment coordonnés au sein des ministères ou entre les ministères et les organismes centraux pertinents. L'efficacité des systèmes de contrôle financier dépend trop de l'expérience, de l'honnêteté des employés en cause et de vérifications répétitives et inefficaces. Par suite de ces faiblesses fondamentales, les renseignements financiers sont incomplets ou inexacts et la protection contre la fraude et l'erreur est insuffisante.

6.9 Le Guide d'administration financière du Conseil du trésor expose au long les objectifs et les principes du contrôle financier sous diverses rubriques et renferme des règlements et des directives qui imposent certaines pratiques à tous les ministères. Cependant, ces pratiques réglementaires ne sont pas toujours suivies.

6.10 Étant donné que les contrôles financiers ont pour objectif d'assurer que les renseignements financiers sont complets et exacts et que les opérations financières sont dûment autorisées, il faudrait y avoir des contrôles pour vérifier si:

- toutes les opérations sont traitées au cours de la période comptable appropriée;
- seules les opérations dûment autorisées sont traitées; et
- tous les systèmes et les modifications de systèmes sont dûment autorisés.

6.11 Dans tous les cas, l'exercice de contrôles efficaces exige que l'on planifie le choix et l'intégration des techniques reliées:

- à l'attribution des responsabilités financières, à tous les échelons de l'organisation;
- aux contrôles matériels, comme le contrôle séquentiel des documents numérotés et la garde des biens et des dossiers; et
- aux contrôles comptables, comme la comptabilité en partie double et les comptes de contrôle des systèmes comptables indépendants ou auxiliaires.

6.12 Il faudrait que les techniques de contrôle financier appliquées dans presque tout le secteur privé soient bien comprises par tous les fonctionnaires spécialisés en comptabilité, et les agents financiers devraient considérer comme une partie essentielle de leurs responsabilités celle de les établir dans les ministères sans attendre les instructions des organismes centraux. Néanmoins, les ministères ont été lents à donner suite même aux directives explicites du Conseil du trésor, notamment celle qui interdit à une personne d'exercer en même temps les pouvoirs de dépenser et de payer à l'égard d'une transaction particulière, ou celle qui demande de simplifier les méthodes administratives en liant les pouvoirs aux postes plutôt qu'en les déléguant aux fonctionnaires.

6.13 Si la plupart des ministères n'ont pas élaboré de bons systèmes de contrôle financier, il semble qu'on doive l'attribuer à un concours de facteurs divers, dont les suivants:

- le besoin de bons systèmes de contrôle financier ne semble pas bénéficier d'une haute priorité lorsqu'il s'agit de pourvoir aux postes financiers, ou de les classer, et l'on s'attache plutôt aux responsabilités concernant la répartition des ressources;
- on ne peut obtenir les fonds nécessaires au financement des contrôles financiers qu'en le disputant à d'autres unités administratives ou d'exploitations qui ont souvent une plus haute priorité;
- la hiérarchie des responsables est établie de telle sorte que les agents financiers ont peut-être peu de pouvoir pour assurer des contrôles financiers efficaces;
- les personnes chargées de fonctions financières dans les ministères manquent souvent de la formation voulue pour connaître, apprécier ou comprendre les principes des contrôles financiers et les techniques nécessaires pour les appliquer;
- l'incertitude et l'incompréhension règnent au sujet de la prépondérance des responsabilités des ministères ou du Receveur général et du M.A.S.;
- le M.A.S. n'a pas clairement partagé ses responsabilités en matière de service ni ses responsabilités en matière de contrôle, de sorte qu'il est maintenant impossible de faire la distinction entre les deux rôles du ministère; et
- les ministères sont portés à croire, à tort, que les contrôles exercés par le M.A.S. répondent à leurs besoins, alors que ces contrôles ont été conçus principalement pour permettre au M.A.S. de s'acquitter de ses propres responsabilités en ce qui concerne l'émission des chèques, la paie, les encaissements et la comptabilité financière, sans s'assurer que ces contrôles protègent efficacement les ministères.

6.14 Le présent chapitre traite de l'application des contrôles par rapport à trois sortes de transactions financières:

- les dépenses;
- la paie; et
- les revenus, les comptes à recevoir et les stocks;

et il expose en dernier lieu la manière dont il faudrait assigner la responsabilité en ce qui touche l'amélioration des contrôles financiers.

CONTRÔLE DES DÉPENSES

Faiblesses de la délégation de pouvoirs

6.15 Les titulaires et les sous-chefs des ministères et des organismes délèguent à des personnes désignées leur pouvoir de passer des contrats ou de faire divers arrangements, de payer et de faire des demandes en vue de paiements, conformément aux articles 34, 27 et 26 de la Loi sur l'administration financière. La façon dont ces pouvoirs sont délégués comporte certaines anomalies:

- les instruments de délégation ne portent pas toujours la signature du ministre en fonction;
- les documents ne sont pas toujours à jour en ce qui concerne la liste des nouveaux employés, celle des employés qui ont quitté le ministère, les promotions et les changements apportés aux responsabilités des employés;
- lorsque des pouvoirs sont délégués à un grand nombre d'employés d'un ministère, le champ d'application et la limite de ces pouvoirs sont souvent mal définis;
- les documents ne font pas de distinction assez nette entre les divers genres d'opérations, comme les opérations reliées à la paie, aux déplacements, aux fournitures, aux services professionnels, aux capitaux, aux contrats, aux subventions ou aux contributions, de manière que les pouvoirs se rattachent aux responsabilités de la personne;
- les employés à qui des pouvoirs ont été délégués peuvent, de leur propre initiative, mettre en marche, vérifier et autoriser une opération entière en vue d'un paiement; et
- les documents peuvent être incomplets et ne pas mentionner les pouvoirs nécessaires dans le cas des engagements, ainsi que prévu à l'article 25, ni les pouvoirs attribués expressément aux sous-chefs par le Conseil du trésor, comme celui d'autoriser certains genres de déplacements.

6.16 Lorsqu'il émet un chèque, le M.A.S. compare la signature de la personne qui autorise la demande du chèque avec celle qui figure aux dossiers, mais généralement il ne s'assure pas si le paiement est conforme à la limite de l'autorité impartie à cette personne, et ne vérifie habituellement pas les autres signatures qui lui sont fournies. Souvent ceux qui font la vérification des comptes à l'intérieur d'un ministère ne confirment pas que les directives sur la délégation des pouvoirs ont été observées. Il se présente bien des cas où l'on déroge à ces règlements pour des raisons administratives mais non à des fins de fraudes.

6.17 Le Guide d'administration financière du Conseil du trésor formule des instructions qui précisent l'objet des pouvoirs financiers et les moyens de les déléguer, de

façon à assurer le rendement de l'administration tout en exerçant un bon contrôle financier. Quatre de ces principales suggestions ou exigences peuvent se résumer comme il suit:

- les pouvoirs devraient être liés au poste, plutôt que délégués aux personnes, comme la Loi le prévoit implicitement, afin de simplifier autant que possible la tâche des administrateurs qui doivent établir les instruments de délégation des pouvoirs financiers et assurer que les instructions contenues dans ces instruments sont observées;
- il faudrait faire une distinction bien nette entre deux genres de pouvoirs financiers qui devraient être délégués séparément: «le pouvoir de dépenser», c'est-à-dire de faire une dépense ou de certifier la passation d'un contrat, et le «pouvoir de payer», c'est-à-dire de faire une demande en vue d'un paiement;
- chaque paiement devrait être autorisé par deux agents; et
- «le pouvoir de contracter des engagements», c'est-à-dire le pouvoir de certifier qu'il existe sur un crédit des fonds suffisants non grevés pour l'exécution d'une opération prévue, devrait être confié aux personnes auxquelles a été délégué, soit le «pouvoir de payer», soit le «pouvoir de dépenser», selon que les renseignements sur les débours faits jusqu'à ce moment et sur les engagements non remplis sont accessibles à l'une ou l'autre de ces deux catégories de personnes.

6.18 Il semble que peu de ministères et d'organismes aient pris l'initiative d'appliquer les politiques du Conseil du trésor en matière de délégation des pouvoirs. Toutefois, à la suite d'une étude de la question par le personnel du Conseil du trésor, la plupart des ministères et organismes ont accepté de les appliquer à l'avenir.

Faiblesses de l'application des contrôles financiers

6.19 Toute dépense fait l'objet de démarches préalables: demande de marchandises ou de services, contrôle des engagements, réception des marchandises ou des services, vérification des comptes, contrôle des affectations, demande d'un chèque, émission d'un chèque, et finalement, établissement d'un rapport financier. Voici quelques-unes des principales faiblesses des contrôles financiers au cours de cette série de démarches:

- un très grand nombre d'employés demandent des marchandises ou des services au moyen de formules de demande en blanc qui ne font l'objet d'aucun contrôle, matériel ou autre, pour empêcher que ces formules soient utilisées sans autorisation;
- le pouvoir de dépenser s'exerce souvent par des agents administratifs au nom du gestionnaire responsable, mais il peut aussi s'exercer par d'autres qui n'obtiennent pas toujours l'assentiment du gestionnaire à qui la dépense sera imputée;
- on omet souvent de certifier les engagements, ou, ce qui est plus grave, ce pouvoir est souvent exercé par des personnes qui n'ont pas de données financières fiables concernant le montant non grevé des crédits ou affectations;

- en général, les commandes non remplies ne font l'objet d'aucun contrôle numérique, matériel ou comptable qui assurerait l'intégrité de l'information sur les engagements du ministère;
- les spécialistes des ministères traitent souvent les commandes sans vérifier les signatures ni l'étendue des pouvoirs délégués aux personnes qui ont placé ces commandes;
- les gestionnaires vérifient, en vertu de l'article 27 de la Loi sur l'administration financière, les comptes établis sur réception des marchandises ou des services et des factures en se fondant sur les documents présentés mais, en général, rien ne prouve clairement qu'ils ont auprès d'eux des commis responsables pour faire tous les contrôles qu'exige la vérification des comptes;
- le pouvoir de payer, délégué en vertu de l'article 26 de la Loi sur l'administration financière, est souvent exercé au sein d'un même organisme de telle sorte que l'organisme risque de perdre le niveau d'indépendance que prévoient à ce sujet les instructions du Conseil du trésor;
- inversement, lorsque dans les bureaux régionaux ou nationaux le pouvoir de payer est centralisé, il peut arriver que les fonctionnaires autorisés n'aient pas, pour exercer ce pouvoir, les connaissances nécessaires, les documents justificatifs, le spécimen de la signature des personnes ayant le pouvoir de dépenser, ou l'information sur le solde non grevé d'un crédit ou d'une affectation;
- la vérification a priori centralisée se fait par les bureaux des ministères ou les bureaux régionaux avant ou après que le pouvoir de payer leur a été délégué mais les employés qui font cette vérification n'ont peut-être pas toujours les données justificatives nécessaires pour faire un contrôle sûr ou efficace;
- on ne se préoccupe pas de décrire le choix des échantillons nécessaires pour effectuer les tests détaillés périodiques, et lorsqu'on découvre des erreurs, il n'existe pas de procédés qui permettent de pousser davantage l'enquête, de prendre les mesures correctives pertinentes ou d'informer le surveillant de la personne qui a commis l'erreur;
- on inscrit les montants en chiffres sur les demandes de chèque, mais on ne les écrit pas afin de prévenir toutes modifications subséquentes;
- après qu'un gestionnaire, souvent un gestionnaire d'un bureau de district, a accordé l'autorisation de dépenser, une personne employée au secrétariat, à la salle du courrier, à la vérification a priori, à la comptabilité, ou à l'informatique peut avoir à traiter une demande de chèque approuvée avant que celle-ci fasse l'objet d'un contrôle matériel ou comptable efficace; cette personne peut donc facilement modifier la demande après que l'autorisation de dépenser a été accordée;
- le M.A.S. émet habituellement les chèques en se fondant sur les demandes des ministères, sans exiger d'autres documents justificatifs, et après avoir vérifié uniquement l'exactitude ou la validité de certaines zones de données, comme le nom du

destinataire, le montant et les codes nécessaires pour établir les comptes centraux du Canada, mais non l'exactitude de tous les codes comptables des ministères;

- le M.A.S. renvoie directement les chèques et les listes de chèques aux personnes qui établissent et assurent les contrôles, de sorte qu'un employé peut profiter d'une manoeuvre frauduleuse ou d'une erreur, sans avoir à agir de connivence avec d'autres employés (une circulaire récente du Conseil du trésor interdit la pratique en question);
- les bureaux de comptabilité des ministères reçoivent les listes quotidiennes des lots traités et des chèques émis par le M.A.S. et les concilient avec les registres des ministères. Ils ne vérifient pas habituellement l'exactitude des inscriptions en vue de déceler les erreurs commises dans la conversion ou le traitement des données, mais uniquement le montant total du lot;
- le M.A.S. établit des listes détaillées des transactions afin d'étayer les rapports financiers transmis aux gestionnaires des ministères, mais il arrive fréquemment que ces gestionnaires ne contrôlent pas suffisamment leurs rapports financiers pour relever les erreurs ou les omissions, comme cela se produit lorsque des transactions approuvées par le gestionnaire, mais non traitées par le système central, sont imputées à tort à d'autres gestionnaires, ou par ceux-ci, et reconnues invalides et rejetées au cours du traitement; et
- il faut tenir certains registres détaillés spéciaux aux fins du contrôle et de la divulgation d'un grand nombre de dépenses, par exemple, des prêts, des immobilisations, des avances comptables, des stocks et des honoraires versés pour des services professionnels, mais il arrive souvent que ces registres soient tenus arbitrairement et qu'ils ne soient pas régulièrement conciliés ou intégrés de façon efficace au système de la comptabilité principale. Par conséquent, les registres ne sont pas fiables.

6.20 L'observance du calendrier du traitement des données et la tenue à jour des systèmes de comptabilité du gouvernement influent grandement sur l'efficacité du contrôle des dépenses. En général, les demandes d'établissement et de traitement de chèques sont présentées au ministère des Approvisionnements et Services avant le quatrième ou cinquième jour ouvrable de la fin du mois. Si l'on tient compte du temps qu'il faut pour expédier des documents par la poste, depuis les bureaux de district éloignés jusqu'au bureau régional ou central de comptabilité, le point-d'arrêt peut se faire dès le 15 du mois. Il se peut que les données détaillées ou supplémentaires des bureaux de district soient à jour, mais il est inutilement difficile de les concilier avec celles des comptes officiels, et généralement cette conciliation ne se fait pas de façon régulière. Il peut donc être difficile d'appliquer des contrôles de gestion, surtout dans les ministères où le traitement des demandes de chèque est centralisé.

Améliorations proposées

6.21 La façon précise d'établir un système adéquat de contrôle financier des demandes de chèque varie selon les circonstances, c'est-à-dire la taille du service organique, le nombre d'opérations traitées, etc., mais généralement le système doit permettre de s'assurer que:

- les fonctionnaires à qui ce pouvoir a été délégué possèdent les renseignements et l'autonomie dont ils ont besoin et que leur responsabilité de rendre des comptes est clairement établie;
- les documents sont constamment l'objet d'un contrôle matériel ou numérique;
- l'on contrôle les montants en dollars inscrits sur les demandes de chèque avant d'accorder le pouvoir de dépenser ou de payer;
- les fonctionnaires qui autorisent les demandes de chèque ont la preuve formelle que tous les contrôles préalables ont été exercés avant d'utiliser leur pouvoir;
- les fonctionnaires qui autorisent ces demandes n'ont pas accès aux contrôles comptables et que les personnes qui ont établi ces contrôles n'ont pas accès aux demandes après que celles-ci ont été autorisées;
- le pouvoir de payer et le pouvoir de dépenser n'ont pas été délégués à la même ou aux mêmes personnes; et
- les contrôles comptables ont été assurés durant toutes les étapes du traitement et vérifiés après que les processus d'émission des chèques et d'établissement de rapports financiers ont pris fin.

6.22 *Dans tous les systèmes financiers, il faudrait séparer les tâches avec soin de façon que sans dédoublement inutile d'efforts, un membre du personnel ou un élément d'un système exerce un contrôle efficace autonome de l'intégrité et de l'exactitude d'un autre élément. En particulier, il devrait y avoir une distinction suffisante entre le pouvoir de dépenser et le pouvoir de payer dans le cas de toutes les opérations de dépenses, de même qu'entre la vérification des comptes à payer, la préparation des documents, la demande et la distribution des chèques, la réception et le dépôt des fonds. Il conviendrait d'établir des contrôles aussitôt que possible et de les maintenir tout au long des étapes du traitement manuel, mécanique et électronique des documents. En particulier:*

- *les gestionnaires ne sauraient exercer les pouvoirs qui leur sont délégués uniquement lorsqu'ils disposent d'information nécessaire à cette fin;*
- *il faudrait établir des contrôles de toutes les données importantes, dès le palier de départ, avant le traitement, et le travail de contrôle devrait être approuvé au même palier, après le traitement;*
- *il faudrait établir un contrôle des dépenses avant d'accorder les autorisations de dépenser et de payer; et*

- *il faudrait s'assurer qu'il existe des preuves bien documentées attestant l'exécution de toutes les fonctions de contrôle, preuves que les gestionnaires devraient vérifier régulièrement.*

CONTRÔLE DE LA PAIE

6.23 Les dépenses salariales devraient être soumises aux mêmes normes de contrôle financier que les autres dépenses. Toutefois, les directives, lignes directrices et règlements du Conseil du trésor, établis en vertu de la Loi sur l'administration financière concernant le contrôle financier, ont porté principalement sur les dépenses autres que la paie. Les instructions du M.A.S. ne portent généralement que sur le mécanisme que doivent utiliser les ministères clients. Le besoin s'impose de donner des instructions précises visant expressément les normes de contrôle financier qu'il faut appliquer aux systèmes de paie.

6.24 Dans la plupart des ministères et organismes, la responsabilité du contrôle des systèmes de paie incombe avant tout au service du personnel. En outre, afin de faciliter l'administration, toute la charge administrative concernant la paie d'un ensemble d'employés d'un ministère est souvent confiée à un groupe d'employés au sein de ces organismes.

Faiblesses typiques

6.25 Voici, en résumé, quelques-unes des principales faiblesses du système de contrôle de la paie:

- pour chaque rajustement ou intervention de paie, les commis au personnel établissent des documents en se fondant sur les renseignements reçus des gestionnaires responsables ou des agents du personnel mais, en général, ces commis ne sont pas tenus d'obtenir de ces gestionnaires l'autorisation de dépenser, bien qu'ils n'aient aucun moyen de savoir si les fonds nécessaires sont disponibles;
- les principaux documents nécessaires pour établir ou modifier les transactions salariales sont assemblés en bloc afin de faciliter la conversion mécanographique des données, mais il importe de les établir très attentivement pour éviter des erreurs ou des omissions;
- le M.A.S. reporte manuellement les données des documents sur d'autres documents aux fins de la mécanographie, mais n'exerce pas de contrôle matériel ou comptable au cours de cette opération;
- les chèques de paie et les listes de paie imprimés par ordinateur sont expédiés aux ministères et aux organismes, généralement aux employés mêmes qui ont établi les premiers documents et qui peuvent aussi être chargés de distribuer les chèques (ce qui est également interdit par la récente circulaire du Conseil du trésor);
- les doubles des instruments de paie sont conservés dans des dossiers ouverts jusqu'à ce qu'un examen des listes de paie révèle que le M.A.S. a fait les rajustements de paie appropriés;

- les gestionnaires responsables reçoivent les listes de fin de mois des transactions salariales qui leur sont imputées, mais généralement ces listes omettent les détails nécessaires pour déceler les erreurs ou les omissions;
- les listes de paie ne renferment aucun renseignement qui permettrait d'exercer un contrôle, comme le total des coûts salariaux ordinaires, les rajustements spéciaux non compris, ce qui est une lacune particulièrement grave, étant donné que les coûts salariaux réels peuvent être faussés d'une manière importante, de semaine en semaine, par des rajustements avec effet rétroactif ou autres, et qu'ils sont difficiles à contrôler dans l'ensemble; et
- une fois par année, le M.A.S. transmet aux ministères utilisateurs une liste de tous leurs employés figurant dans leurs dossiers courants, par gestionnaire responsable, en indiquant la classification, le taux de rémunération, les retenues ordinaires et le code comptable de chacun, mais rien n'assure que ces listes sont distribuées aux gestionnaires responsables pour qu'ils puissent contrôler les interventions de paie des agents du personnel.

Améliorations proposées

6.26 Les systèmes de paie électroniques exigent qu'on exerce un contrôle attentif sur les données permanentes des dossiers informatiques. En outre, les ministères doivent vérifier tout au long du traitement si les interventions de paie sont complètes et exactes, et si elles ont été autorisées. Il y a une foule de contrôles, manuels et électroniques, que l'on peut combiner pour vérifier le détail de ces données. Dans la pratique il s'agirait normalement de faire ressortir les points ci-bas:

- il faudrait contrôler les données de base importantes, comme le nombre des employés, les salaires bruts normaux ou les heures de travail normales, et les données variables importantes, comme les congés non rémunérés ou les heures de travail supplémentaires, avant d'accorder le pouvoir de dépenser;
- les rajustements de salaire et les transactions salariales qui modifient le montant ou la comptabilité des coûts salariaux bruts devraient être autorisés par le gestionnaire responsable;
- les agents qui autorisent les rajustements de salaire ne devraient pas avoir accès aux contrôles comptables, et ceux qui établissent ces contrôles ne devraient pas avoir accès aux documents de base après que ceux-ci ont été certifiés;
- le pouvoir de payer et celui de dépenser ne devraient pas être délégués à la même personne; et
- une fois la paie traitée, les responsables devraient confirmer que les données permanentes et les données variables ont été contrôlées.

6.27 *Le personnel financier devrait être tenu de s'assurer qu'il existe des contrôles au sein des systèmes de paie comme il en existe dans tous les autres systèmes administratifs qui donnent lieu à des opérations financières.*

CONTRÔLE DES REVENUS, DES COMPTES À RECEVOIR ET DES STOCKS

Revenus et comptes à recevoir

6.28 Les ministères et les organismes reçoivent de l'argent dans des circonstances très diverses. Il s'agit parfois de montants élevés dans certaines situations complexes ou, à l'occasion, de montants relativement faibles. Les commentaires et les observations que renferme la présente partie du Rapport visent surtout les cas où la perception des revenus n'est pas la principale fonction du programme.

6.29 Un certain nombre de règlements, dont le Règlement sur la radiation des dettes, le Règlement sur la cession des dettes de la Couronne et le Règlement sur la réception et le dépôt des deniers publics traitent du contrôle des revenus, des comptes à recevoir et des recettes. Le Règlement sur la réception et le dépôt des deniers publics, en particulier, énonce des règles précises sur la façon d'enregistrer et de déposer les deniers publics et de transférer les fonds à la Banque du Canada. Bien qu'il soit fait état de ces règles dans les instructions administratives de la plupart des ministères, il est reconnu qu'elles ne sont pas toujours observées. Par exemple, il y a des cas où:

- les montants des deniers publics supérieurs à \$100 ne sont pas déposés chaque jour comme il est prescrit; et
- les dépôts ne sont pas faits, comme il est prescrit, par la personne qui perçoit ou reçoit l'argent, mais sont transmis au bureau régional ou central pour être déposés par d'autres.

6.30 La plupart des ministères n'ont pas appliqué efficacement les instructions du Conseil du trésor concernant les revenus et les comptes à recevoir. Nous avons constaté des lacunes dans la plupart des systèmes. Il arrive souvent que, pour faciliter l'administration, on charge un employé de s'occuper entièrement de tout un système, notamment de contrôler les factures, de tenir les registres des comptes à recevoir, d'inscrire et de déposer les recettes, de contraindre les débiteurs qui ne payent pas leurs dettes et de s'occuper de radier les dettes. Souvent on contrôle, sans formalité, les registres détaillés eux-mêmes, sans tenir compte de la séquence des numéros des factures. On tient rarement des comptes de contrôle indépendants. Lorsqu'on tient des comptes de contrôle, comme dans le cas des biens qui sont inscrits séparément dans les comptes du Canada, ou des avances comptables, qui doivent être imputées à un crédit de façon précise, les registres détaillés ne sont pas habituellement conciliés avec les comptes de contrôle de la façon prescrite, par une personne indépendante. Dans certains cas, les recettes déposées par un gestionnaire sont, aux fins du budget, portées au crédit du compte d'un autre, de sorte que ni l'un ni l'autre n'a les données nécessaires pour exercer un contrôle efficace.

6.31 Selon nos observations, la déficience la plus commune des systèmes de contrôle réside en ce que les fonctions de contrôle de la facturation, de la comptabilité, de la perception et du dépôt des revenus ne sont pas suffisamment séparées. Actuellement, il y a bien des occasions majeures de fraudes et d'erreurs pouvant passer inaperçues dans ce domaine. La meilleure façon de séparer les fonctions est affaire de circonstances. Par exemple, lorsqu'un employé établit les factures, inscrit et dépose les entrées et tient les registres des comptes à recevoir, un second employé devrait exercer un contrôle indépendant pour s'assurer que les factures sont dûment établies pour tous les services rendus ou les marchandises livrées, que tous les chèques et recettes au comptant sont déposés et transférés promptement au Fonds du revenu consolidé et que les comptes à recevoir sont enregistrés et qu'il en est fait rapport correctement.

Stocks

6.32 Le contrôle des stocks du gouvernement a été, de tout temps, la responsabilité des gestionnaires de l'exploitation ou des fonctionnaires chargés de la gestion du matériel, les agents financiers n'y participant que très peu. Les exposés de la politique générale du Conseil du trésor établissent les méthodes fondamentales de la gestion du matériel, mais ne disent presque rien au sujet des contrôles financiers ou des techniques applicables au contrôle matériel, à la bonne tenue des registres, à la vérification indépendante, à l'établissement des rapports financiers, ni du contrôle budgétaire des stocks.

6.33 Selon le Guide d'administration financière du Conseil du trésor:

«On devrait établir des contrôles comptables pour les stocks de matériel et d'équipement lorsque les montants ou la nature des stocks le justifient afin de les contrôler de façon indépendante, de fournir des informations sur les variations de ces stocks ou d'éliminer l'incidence des fluctuations des stocks sur les coûts mentionnés par le système comptable principal».

6.34 Plusieurs ministères ont des stocks importants d'articles de consommation par rapport à leur budget total, d'autres en ont d'importants par rapport aux budgets des gestionnaires. Généralement, ces stocks ne font pas l'objet d'un contrôle comptable indépendant et, lors de leur achat, sont inscrits comme des dépenses dans le principal système du ministère. Conformément aux instructions sur la gestion du matériel, les quantités réelles, les réceptions et les livraisons sont généralement enregistrées au moyen d'un système manuel, mécanographique ou électronique, mais les registres sont tenus, d'ordinaire, par le personnel chargé de la garde et de l'utilisation des actifs. En général, lorsqu'on en rédige, les rapports sur le volume et le renouvellement du stock, ainsi que sur le matériel en désuétude, ne renferment d'ordinaire que des données non financières et sont conservés par le gestionnaire intéressé ou par le service de gestion du matériel.

6.35 Les avances de fonds de roulement peuvent constituer un moyen parfaitement intégré d'assurer un contrôle comptable indépendant sur les stocks et les comptes à recevoir. En l'occurrence, il faut utiliser des méthodes sûres et uniformes lorsqu'on enregistre les acquisitions de stocks et qu'on établit le prix de revient du matériel livré. Par exemple, on peut inscrire dans les comptes de stocks le coût standard de chaque article reçu ou livré, pour que les registres comptables indiquent en tout temps le coût standard de tous les stocks

qui devraient être disponibles. Toutefois, la façon dont ces comptes sont tenus et contrôlés est souvent imprécise en ce qui regarde les méthodes susmentionnées, de sorte que dans la pratique ces comptes ne permettent pas d'exercer, à l'égard des personnes chargées du contrôle matériel et de l'utilisation des stocks, une surveillance efficace et autonome.

Amélioration proposée

6.36 Dans le cas des comptes à recevoir et des stocks, la tenue d'un compte de contrôle au sein des principaux systèmes comptables, étayés par des systèmes comptables détaillés auxiliaires, pourrait constituer un moyen utile et efficace d'exercer un contrôle financier autonome sur ces éléments d'actif. L'intégration des comptes de contrôle exige la présence implicite des mécanismes d'autovérification propres à la comptabilité en partie double et offrent un moyen permettant la divulgation des comptes à recevoir et des stocks, grâce aux systèmes de comptabilité et de rapports financiers. Ces principes sont rarement appliqués, bien qu'ils soient énoncés dans le Guide d'administration financière du Conseil du trésor.

6.37 *Tous les revenus, tous les comptes à recevoir et tous les stocks importants devraient faire l'objet d'un système de contrôle efficace, généralement un contrôle comptable indépendant.*

RESPONSABILITÉ DE L'AMÉLIORATION DES CONTRÔLES FINANCIERS

6.38 Pour améliorer les systèmes de contrôle financier, on pourrait, entre autres, étendre la portée des règlements et des directives du Conseil du trésor de manière à pouvoir prescrire des systèmes uniformes et applicables à presque tous les cas, tout en prenant des mesures rigoureuses pour en assurer le respect. Toutefois, s'il est souhaitable d'uniformiser davantage les systèmes financiers, il ne faudrait pas imposer sans distinction des systèmes détaillés et uniformisés.

6.39 Il est préférable que les ministères se dotent de contrôles financiers utiles et efficaces et qu'ils les appliquent en tenant compte des circonstances pertinentes, sous la seule réserve de respecter les normes établies pour l'ensemble des services de l'État. Les personnes chargées d'assurer l'exercice des contrôles financiers dans les ministères doivent avoir suffisamment d'autorité et recevoir assez de conseils pour exécuter leur tâche efficacement. Il doit exister une nette distinction entre les responsabilités des ministères et celles des organismes centraux, de même qu'entre celles des divers services de chaque ministère.

6.40 Le gouvernement doit aussi être sûr que les normes appropriées sont respectées dans toute la fonction publique. Le meilleur moyen d'obtenir cette assurance, c'est d'émettre des directives qui exposent clairement ce qui est exigé, de voir à ce que le personnel d'un organisme central examine les systèmes, et que des équipes chargées de la vérification interne des ministères effectuent des vérifications par sondages.

6.41 Il conviendrait qu'un organisme central soumette à l'approbation du Conseil du trésor, les directives et les instructions nécessaires, puis qu'il s'occupe d'examiner périodiquement tous les systèmes de contrôle financier. En se fondant sur ces examens, cet organisme devrait approuver, par écrit, ceux qui, à son avis, répondent aux besoins. Il devrait informer le Conseil du trésor des systèmes, ou des éléments de système, qui ne sont pas satisfaisants. Cette fonction correspond de près à une proposition antérieure, selon laquelle un organisme central approuverait les systèmes de contrôle budgétaire et de rapports financiers. Par conséquent, il serait logique que ce même organisme central exerce cette fonction, puisque ces responsabilités exigent la même compétence et sont interdépendantes.

6.42 *Il faudrait réviser les systèmes ministériels et les faire approuver par un organisme central afin de s'assurer qu'ils sont conformes aux directives du Conseil du trésor et aux autres instructions qui s'imposeraient pour assurer un contrôle adéquat des dépenses, des revenus et des actifs.*

VII VÉRIFICATION INTERNE

7.1 Depuis longtemps, on considère la vérification interne comme un élément important du processus de contrôle de la gestion, parce qu'elle permet de mesurer l'efficacité des opérations financières et autres. Le besoin de cet élément de contrôle au sein de l'administration fédérale a été davantage mis en relief en 1962, lorsque Glassco a recommandé que la gestion des ministères soit chargée d'implanter et d'assurer des systèmes convenables de vérification interne. Le Conseil du trésor accepta la recommandation et, en 1966, formulait une politique en ce sens, qui figure dans le guide de Gestion financière publié à cette époque. La vérification interne est devenue obligatoire pour tous les ministères, par suite des directives données dans le nouveau Guide d'administration financière pour les ministères émis en 1973 pour remplacer le précédent. Dans ces directives, le Conseil du trésor énonçait les exigences de base en ce qui a trait aux vérifications internes, à leur portée, à leur fréquence, à leur indépendance et à l'obligation d'en rendre compte.

7.2 Jusque-là, les vérificateurs internes se bornaient à mesurer le degré de conformité aux règles prescrites et autres directives en matière de finances. L'objectif premier d'une vérification financière consiste à obtenir une évaluation indépendante du système de gestion et de contrôle financiers au sein d'un ministère ou d'un organisme, afin de s'assurer qu'il répond à toutes les exigences en ce qui concerne la netteté des affaires financières, l'obligation de rendre des comptes, ainsi que le contrôle touchant l'acquisition, la garde et l'utilisation des ressources financières. Ce genre d'évaluation du système est ordinairement étayé d'examen des opérations comptables et autres, afin de déterminer la mesure dans laquelle le personnel ministériel respecte les directives.

7.3 L'instauration de vérifications opérationnelles a, récemment, étendu la portée des vérifications internes dans certains ministères. Ces vérifications, qui ne se limitent pas d'habitude aux questions d'administration financière, visent à évaluer un aspect quelconque ou l'ensemble des opérations ministérielles, à titre de service offert à la direction. Leur ampleur varie sensiblement; il peut tout aussi bien s'agir de mesurer le rendement des systèmes et des méthodes que de vérifier si les gestionnaires font un emploi utile et économique de leur personnel, de leurs actifs, de leurs locaux, etc. Pareilles vérifications pourraient même servir à juger de l'efficacité des programmes mais, dans la pratique, on n'a guère essayé d'effectuer des vérifications visant à établir si les ministères réalisent leurs objectifs de façon efficace.

7.4 Un certain nombre de ministères et d'organismes ont recours au Bureau des services de vérification (B.S.V.) du ministère des Approvisionnements et Services, afin qu'il fasse, pour leur compte, des vérifications internes et exécute d'autres tâches de même nature, par exemple, la vérification de sommes payées en vertu de contrats et d'accords. Le Bureau assure, entre autres, des services de vérification financière et opérationnelle, dont il convient à l'avance de la nature et de la portée avec la gestion du ministère. Les résultats et constatations en sont ensuite communiqués directement au Ministère, ou à l'organisme

intéressé, à moins que le mandat du B.S.V. n'en prévoit expressément une plus grande diffusion.

7.5 La Loi sur l'administration financière confère au Conseil du trésor la responsabilité générale des questions liées à la gestion financière. Dans le cadre de ses attributions, le Secrétariat a réuni, récemment, une petite équipe chargée d'évaluer la mesure dans laquelle les ministères se conforment aux recommandations et aux directives touchant la fonction financière. L'équipe examine périodiquement le système d'administration financière des ministères. Elle se borne à étudier les systèmes, sans tenter d'en évaluer la qualité de l'application d'une manière qui chevaucherait l'activité des groupes de vérificateurs internes du ministère même.

7.6 Les vérifications internes des ministères et les évaluations du Conseil du trésor s'effectuent pour le compte de différents groupes de gestion:

- les vérifications internes, qu'elles soient effectuées par le personnel ministériel ou par le B.S.V., ont pour but de fournir aux sous-chefs l'assurance que les personnes assumant des responsabilités financières au sein de leur ministère s'en acquittent correctement; et
- les évaluations du Conseil du trésor visent à établir si les systèmes financiers des ministères protègent bien le gouvernement.

7.7 Chaque type d'examen a pour objet de vérifier jusqu'à quel point les systèmes ministériels sont satisfaisants. Les vérifications internes des ministères vont plus loin, en ce sens qu'elles vérifient l'application des systèmes par l'examen d'un échantillonnage de transactions.

7.8 Dans le présent Rapport, il a déjà été préconisé qu'un organisme central examine les systèmes ministériels de contrôle budgétaire et de rapports financiers, ainsi que les contrôles financiers des ministères. Cet examen, qui engloberait une bonne partie du travail que fait le service d'évaluation du Secrétariat du Conseil du trésor, en étendrait la portée du fait qu'il imposerait à l'organisme central l'obligation d'approuver expressément les systèmes selon les résultats obtenus, ou de différer son approbation. On pourrait considérer qu'il s'agit là d'un aspect de la vérification interne, et la manière dont se ferait ce genre d'examen est étudiée plus à fond dans le dernier chapitre du présent Rapport. Ce chapitre-ci traite surtout des genres de vérification interne qui relèvent de l'autorité des sous-chefs.

7.9 Voici un résumé des principaux sujets d'inquiétude qui ont été notés en ce qui regarde la vérification interne:

- dans certains ministères il ne se fait aucune vérification interne;
- souvent, les vérificateurs internes participent à l'élaboration et à la mise sur pied de systèmes, ce qui risque de les détourner de leur tâche propre ou de nuire à leur aptitude à s'en acquitter;

- plusieurs aspects de la vérification interne laissent à désirer à plusieurs égards, semble-t-il. Dans certains cas, des vérificateurs effectuant des travaux dans les régions n'ont pas pu évaluer les contrôles internes ni faire la vérification complémentaire de certaines transactions amorcées ou achevées dans des services du bureau principal;
- il n'y a pas d'uniformité d'un ministère à l'autre quant à la portée des vérifications internes; certains groupes de vérificateurs internes effectuent des vérifications financières superficielles, tandis que d'autres s'adonnent activement à la vérification de type opérationnel;
- les rapports hiérarchiques entre la direction des ministères et les groupes de vérification interne ne sont pas uniformes. Plusieurs groupes relèvent d'un agent financier en chef, ce qui peut réduire l'efficacité des vérifications;
- dans bien des cas, la formation des vérificateurs internes se borne à l'expérience que ceux-ci acquièrent au travail; et
- les groupes de vérificateurs internes n'ont souvent qu'une connaissance limitée des exigences du Conseil du trésor.

7.10 Les faiblesses résumées ci-dessus font ressortir la nécessité d'attacher plus d'importance aux vérifications financières internes. Il ne s'agit pas d'en modifier l'objectif de base, qui est de fournir à la direction une appréciation indépendante, mais interne, de la légalité, de l'efficacité et du rendement des travaux ministériels d'administration financière. Les groupes de vérificateurs internes devraient travailler pour les sous-chefs et relever d'eux. Un éventail complet de normes de vérification interne, notamment celles que contient le Guide d'administration financière du Conseil du trésor, devrait être appliqué par les ministères, avec surveillance centralisée, afin d'obtenir une vérification interne d'ampleur suffisante.

7.11 Il serait à propos que l'organisme central chargé d'examiner les systèmes ministériels au nom du gouvernement assume également la responsabilité de coordonner l'élaboration de mécanismes améliorés, aux fins de la vérification interne. À cet égard, on envisage que cet organisme:

- établirait des normes minimales concernant la portée et l'ampleur des vérifications internes au sein des ministères et des organismes;
- recevrait de la part des vérificateurs ministériels internes des rapports indiquant la mesure dans laquelle les éléments examinés sont conformes aux directives financières de la haute gestion; et
- organiserait des examens de l'efficacité de la vérification interne dans les ministères et les organismes.

Cette façon d'agir renforcerait sensiblement l'activité de la vérification interne dans les ministères. L'autorité ministérielle en matière de vérification resterait néanmoins intacte,

pourvu que les vérificateurs internes, collaborant directement au travail d'un ministère ou étant retenus par le B.S.V., reçoivent leur mandat directement du sous-chef, qui approuverait tous les ans les projets de vérification et agirait ensuite selon les résultats obtenus.

7.12 *L'organisme central du gouvernement chargé de prescrire les normes, la portée et l'ampleur des vérifications financières des ministères devrait insister davantage sur la nécessité qu'il y a de surveiller la vérification interne des ministères en vue de susciter un plus grand respect des normes.*

VIII PERSONNEL FINANCIER

8.1 Ce n'est qu'avec un personnel financier possédant la compétence nécessaire que la qualité de la gestion et du contrôle financiers au sein du gouvernement atteindra un niveau acceptable. C'est pourquoi nous avons examiné les questions de personnel qui touchent la gestion et le contrôle financiers. De nombreuses observations découlent de certaines études faites dans les ministères et les organismes centraux. Ces observations portent sur les points suivants: le statut de l'administration financière au sein du gouvernement; les titres de compétence des personnes et le besoin d'un leadership et d'une direction plus fermes pour tous ceux qui participent à la gestion et au contrôle financiers.

ADMINISTRATION FINANCIÈRE AU SEIN DU GOUVERNEMENT

8.2 La «gestion des finances» (Groupe FI) comprend maintenant des postes dont les titulaires s'occupent de «planifier, d'appliquer et de contrôler des pratiques, systèmes et méthodes de gestion comptable, budgétaire et financière nécessaires au fonctionnement et à l'exécution efficaces des programmes et activités de l'État; d'analyser les projets de dépenses des ministères; de formuler des conseils sur l'utilisation des ressources financières». Ce groupe comprend un très grand nombre d'employés, soit environ 1,600 personnes, qui participent de façon ininterrompue à la gestion et au contrôle financiers dans tous les secteurs d'activité du gouvernement du Canada. Cependant, bon nombre d'administrateurs financiers appartiennent à d'autres groupes professionnels que le groupe FI, et cela pour bien des raisons, notamment parce que leurs fonctions touchent d'autres domaines.

8.3 La direction de la politique administrative et la direction de la politique du personnel, du Secrétariat du Conseil du trésor, ainsi que la Commission de la Fonction publique, ont entrepris, depuis 1971, des études portant expressément sur le groupe FI. Bien que l'on ait cerné plusieurs problèmes et préconisé diverses solutions possibles, les efforts déployés pour remédier à certaines lacunes généralement reconnues ont été vains. Récemment, la direction de la politique du personnel a révisé des postes repères pour la classification des postes FI.

8.4 Il existe deux types de faiblesses dans la classification des postes afférents à la gestion des finances. Certaines découlent des normes de classification qui ne satisfont pas aux exigences actuelles du gouvernement fédéral en matière de gestion et de contrôle financiers. D'autres tiennent à l'interprétation de l'évaluateur qui, parfois, s'écarte de l'esprit des normes. Dans une organisation aussi importante que celle de l'Administration fédérale, l'application incohérente des normes peut avoir de lourdes conséquences, puisqu'elle entraîne une mutation inutile de personnel d'un ministère à l'autre, sans compter les nombreux mécontentements attribuables à des injustices manifestes.

8.5 Le groupe FI se compose de deux catégories de fonctionnaires; ceux qui ont de l'expérience sans avoir la formation scolaire voulue, et ceux qui ont une formation universitaire ou professionnelle. Les perspectives de carrière sont bien différentes pour ces

deux groupes. La plupart des titulaires de postes FI ayant des diplômes universitaires ou des titres de compétence professionnelle se trouvent aux niveaux supérieurs de la classification, tandis que ceux qui n'ont pas cette formation occupent des postes de plus en plus subalternes.

8.6 Étant donné que les normes n'exigent pas de diplôme universitaire ou de statut professionnel pour les postes de niveaux inférieurs, on y pourvoit par un personnel inapte à l'avancement faute d'instruction suffisante. En raison de demandes expresses des gestionnaires dont relèvent les titulaires des postes de niveau FI-5 ou supérieurs, on exige souvent que ceux-ci possèdent un diplôme universitaire ou soient membres d'un organisme de comptables reconnu, de sorte que les titulaires des postes de niveaux inférieurs à celui de FI-5 doivent passer à d'autres groupes s'ils veulent continuer à avancer.

8.7 Il faut nécessairement posséder une formation post-secondaire pour accéder à bon nombre de postes FI, bien que la qualification minimale requise soit telle que, en principe, les personnes sans formation scolaire adéquate y sont admissibles. En 1974, 38% des FI possédaient une certaine compétence professionnelle et plus de 50% avaient un grade universitaire ou une qualification professionnelle, ou les deux. Cela tient sans doute au fait que les gestionnaires exigent des instruments de travail plus perfectionnés, tels que des systèmes d'information, des analyses de coût et des techniques de prévision. Il semble donc que l'administrateur financier doive avoir les qualités nécessaires pour élaborer et utiliser des systèmes permettant de contrôler d'importantes ressources financières, même si le groupe dont il fait partie n'insiste guère sur cet aspect du travail dans ses normes de sélection.

8.8 Le groupe FI a souffert de ce qu'il est convenu d'appeler le syndrome des deux niveaux. Même si les normes de classification ne l'exigeaient pas, bon nombre de personnes avaient la ferme conviction qu'un subordonné devait être placé à deux niveaux au-dessous de son surveillant immédiat. Nous croyons savoir que les nouvelles normes de classification en voie d'établissement supprimeront tout malentendu à ce sujet.

8.9 Lorsqu'il détermine les qualités requises pour accéder aux postes qu'il offre, le service public ne fait pas de différence entre un diplôme universitaire de base (B.A., B. Comm.) et l'affiliation à une association de comptables avec ou sans diplôme universitaire; dans le secteur privé, par contre, la plupart des systèmes d'évaluation des emplois reconnaissent presque toujours qu'un diplômé universitaire possédant une appellation de C.A. équivaut à un diplôme et deux années d'expérience, ou à un diplôme d'études supérieures plus une année d'expérience.

8.10 Dans les services de l'État, bon nombre de comptables professionnels optent pour des domaines non liés à la gestion et au contrôle financiers. Cela tient surtout à ce que les normes de classification pour le groupe FI ne tiennent pas suffisamment compte des titres de compétence professionnelle. Plutôt que de placer le groupe FI sur le même pied que les groupes professionnels des économistes et des avocats, on l'inclut dans les groupes non

professionnels. L'utilité des administrateurs financiers de l'État dépend non seulement de leur compétence, mais aussi de leur degré de professionnalisme. Pour bien remplir leurs rôles, ces administrateurs doivent posséder une connaissance approfondie des pratiques comptables et financières et, surtout, un degré de conscience professionnelle qui les porte à respecter les politiques gouvernementales visant la budgétisation et la dépense des fonds publics, tout en secondant les gestionnaires dont ils relèvent directement.

8.11 Une étude en profondeur s'impose pour trouver des solutions satisfaisantes aux nombreux problèmes dont on a reconnu l'existence dans l'administration financière. En tant que tel, le groupe FI pourrait être maintenu, à condition de le redéfinir afin de mieux l'adapter aux besoins actuels. D'autre part, on pourrait l'utiliser pour pourvoir à tous les postes non professionnels que comporte la gestion financière, et former un autre groupe distinct de comptables professionnels. En rassemblant la majorité des comptables professionnels, y compris ceux qui participent à des programmes de vérification et de gestion financière, on obtiendrait un groupe qui se prêterait plus aisément à de vastes programmes de formation et de déroulement de carrière, ce qui améliorerait la qualité du personnel. Tout compte fait, cette solution semble la meilleure.

8.12 Ces mesures ne doivent pas être considérées comme des solutions idéales aux problèmes de l'heure, mais plutôt comme une indication de la complexité et de l'étendue du problème, et comme un effort en vue d'améliorer la situation actuelle.

8.13 *Il faudrait entreprendre une étude exhaustive des systèmes de personnel qui concernent expressément les administrateurs financiers, en vue d'examiner l'opportunité qu'il y aurait de constituer un groupe de comptables professionnels, assez considérable pour répondre aux besoins actuels et futurs de la gestion et du contrôle financiers de l'État.*

DOTATION EN PERSONNEL DE LA FONCTION FINANCIÈRE

8.14 La décentralisation de la responsabilité financière intervenue vers la fin des années 60 a engendré le besoin d'administrateurs financiers plus nombreux et plus compétents, pour seconder les gestionnaires de l'État. Le rôle fondamental du personnel financier a pris une nouvelle dimension par suite de l'importance accrue que revêtent l'établissement de systèmes de comptabilité des prix de revient, les analyses budgétaires et les fonctions consultatives. L'administrateur financier des années passées n'était souvent qu'un fonctionnaire ayant une expérience de généraliste en matière d'administration, mais aujourd'hui les dirigeants des ministères exigent de leurs collaborateurs un niveau de compétence que, dans bien des cas, on ne trouve que chez ceux qui ont reçu une formation spécialisée à l'université ou dont les appellations leur donnent accès à des associations de comptables reconnues.

8.15 Ces facteurs ont fait naître bien des possibilités pour les administrateurs financiers, ce qui explique l'indice élevé de rotation au sein du groupe FI. Dans certains ministères, le taux de vacances de postes financiers atteint parfois 35% et l'indice de rotation annuel de leur personnel financier va jusqu'à 45%.

8.16 Dans le domaine de la gestion financière, les besoins se sont accrus à mesure que les ministères ont décentralisé leurs exploitations et qu'il leur a fallu plus de personnel pour relever le défi nouveau. Les données de la Commission de la Fonction publique indiquent que la demande est supérieure à l'offre pour le groupe FI; au début de 1974, la Commission prévoyait qu'il manquerait environ 250 administrateurs financiers au 31 mars 1975. Selon les observations, le problème s'aggraverait lorsque les ministères tenteront d'améliorer la qualité actuelle de la gestion et du contrôle financiers.

8.17 La responsabilité accrue des agents de programmes ministériels influe directement sur le nombre requis d'administrateurs financiers. La nature de plus en plus complexe des tâches assignées aux agents de programmes et l'élargissement de la plupart des opérations créent le besoin d'améliorer la qualification du personnel financier.

8.18 La rotation considérable qui se produit au sein du groupe FI nuit sérieusement à la gestion et au contrôle financiers. L'élaboration de systèmes est particulièrement réduite dans les ministères. Le manque de stabilité du personnel financier entraîne une perte d'efficacité, parce qu'il faut recommencer souvent le processus d'initiation. On a vu, dans certains cas, un nouvel employé reprendre, depuis le début, des travaux déjà faits. On a également noté des cas de gaspillage sous la forme de travaux laissés en plan par suite d'un changement de personnel.

8.19 En raison de l'indice de rotation élevé et de la rapidité avec laquelle les employés passent d'un poste à l'autre, il est particulièrement difficile d'évaluer le rendement du personnel financier et les besoins de celui-ci sur le plan de la formation et du perfectionnement. Dans les circonstances actuelles, certains employés peuvent avancer sans subir d'examens pertinents, et il s'en trouve qui ont accédé à des postes exigeant plus de compétence qu'ils n'en possèdent. Pareil état de choses se produit en période de forte demande, où il est très difficile de trouver une personne plus compétente pour occuper un poste, et la qualité de la gestion et du contrôle financiers au service public s'en ressent beaucoup.

8.20 Il est probable que la demande de FI continuera d'augmenter à tout le moins pendant plusieurs années, c'est-à-dire jusqu'à ce que les ministères et les organismes aient achevé le processus de décentralisation amorcé à la fin des années 60. Et la pénurie s'accroîtra d'autant plus que les ministères chercheront à atteindre une qualité sans cesse croissante de gestion et de contrôle financiers.

8.21 *Un examen approfondi devrait être entrepris pour établir quels sont les besoins de l'État en fait de personnel de gestion financière, par genre et niveau, ainsi que pour élaborer un programme visant à parer à la pénurie actuelle.*

LEADERSHIP DE L'ADMINISTRATION FINANCIÈRE

8.22 Avant la mise sur pied de la Commission Glassco, l'administration financière gravitait, en majeure partie, autour du Contrôleur du trésor. Depuis 1969, toutefois, il s'est

produit une importante dispersion. Dans le passé, la plupart des gestionnaires ministériels n'avaient guère d'autorité en matière de finances, tandis qu'aujourd'hui le pouvoir décisionnel, dans la plupart des questions financières, est largement délégué. Ainsi, les agents financiers des ministères sont non seulement plus dispersés, mais soumis à des pressions sensiblement plus fortes exigeant un haut degré d'aptitude, de compétence et d'intégrité professionnelle. Ils doivent fournir, sur une base plus autonome et sous réserve des instructions de leurs supérieurs immédiats, un niveau satisfaisant de gestion et de contrôle financiers propres à servir les intérêts vitaux du Parlement, de l'État et de la haute administration de leur ministère. Il est essentiel de trouver une source d'orientation et de direction afin d'établir les normes de compétence et d'intégrité professionnelles applicables dans tous les services du gouvernement.

8.23 La division de l'administration financière de la direction de la politique administrative du Secrétariat du Conseil du trésor est maintenant l'unique organisme vers lequel les comptables du gouvernement peuvent se tourner pour obtenir conseils et direction. Cependant, la division ne peut guère influencer sur leur carrière et sur leur perfectionnement, sauf par l'élaboration de politiques générales et l'évaluation des systèmes dont ils sont chargés. Souvent, les agents financiers des ministères ont davantage de rapports avec la direction des programmes, qui est tenue de donner des conseils en ce qui touche les demandes de crédits, étant donné que les gestionnaires dont relèvent ces agents se préoccupent plus d'avoir un personnel capable d'obtenir des ressources qu'un personnel pouvant contrôler les dépenses.

8.24 Voici, en bref, les difficultés que comporte la dotation en personnel:

- pénurie de personnel possédant une formation financière. Cela tient, en partie, à l'insuffisance du recrutement et, en partie, à l'incapacité de retenir le personnel affecté aux travaux de gestion et de contrôle financiers;
- échec au chapitre de la formation et du perfectionnement du groupe FI;
- inaptitude à exercer une surveillance centralisée et à conseiller les ministères quant à la qualification et aux titres de compétence de leur personnel ou des candidats aux postes financiers; et
- mauvais climat au sein du groupe FI, probablement attribuable au peu d'occasions de perfectionnement et à l'impression qu'à ce groupe qu'aucun fonctionnaire d'un niveau supérieur ne s'intéresse à lui.

8.25 En d'autres termes, les administrateurs (sous-chefs et gestionnaires subordonnés) n'obtiennent pas d'informations suffisantes sur le rendement de leur personnel FI. Ils ne sont donc pas en mesure d'exercer les fonctions bien définies qui leur sont assignées sur le plan de la gestion et du contrôle financiers.

8.26 L'administration financière a perdu de l'importance, parce que le Conseil du trésor ne l'appuie pas assez et que le leadership qui lui fournirait les moyens et la capacité nécessaires pour répondre aux besoins des administrateurs lui fait défaut.

M. Glassco a dit:

«Le bureau central doit cependant porter son attention au-delà du poste de sous-ministre et prendre en considération la formation et l'affectation des autres administrateurs aux échelons supérieurs de la fonction publique. Afin d'assurer la formation et la répartition rationnelle de ce personnel dans tous les secteurs du gouvernement, la direction centrale doit s'occuper activement des nominations et des mutations à certains postes dans chaque ministère.

Son attention doit se porter d'abord sur les postes qui suivent immédiatement celui de sous-ministre dans l'échelle hiérarchique. Les mutations qui s'effectuent à ce niveau dans les ministères fournissent aux titulaires la dernière occasion d'élargir leur champ d'expérience et leurs horizons, condition essentielle à l'épanouissement de leurs aptitudes administratives.

Il convient d'ajouter quelques remarques à propos de deux autres hauts fonctionnaires qu'on trouve dans chaque ministère: le directeur des finances et le directeur du personnel. Ce sont les deux fonctionnaires les plus directement intéressés à l'affectation du personnel et des fonds publics et à la mise en oeuvre de la politique générale et des normes que le gouvernement veut appliquer à l'administration. La rotation de ces hauts fonctionnaires parmi les ministères et au sein du Conseil du trésor est le moyen le plus efficace d'assurer l'application systématique, dans toute la fonction publique, de la politique et des normes générales.

De plus, il est important que ces deux hauts fonctionnaires aient le sentiment que leur carrière future se fonde surtout, mais non exclusivement, sur l'évaluation de leur rendement par le personnel du Conseil du trésor plutôt que sur leur aptitude à plaire aux chefs de leurs ministères. Ils doivent être à tous égards membres de leurs ministères respectifs et se considérer comme tels: ils ne sauraient être autorisés à apposer leur veto aux décisions de leurs chefs, ce qui pourrait compromettre l'autorité et les responsabilités attachées aux postes de ministre et de sous-ministre. Mais en fait, ils incarneraient la présence de l'autorité centrale au sein de leurs ministères, et leur hésitation à accepter les lignes de conduite proposées par leurs chefs devrait peser dans la balance et ne pourrait être écartée à la légère.

Pour les postes qui suivent immédiatement ceux de sous-ministre et de directeurs des finances et du personnel dans l'échelle hiérarchique, il est proposé que le Conseil du trésor, lorsque la perspective d'une vacance ou que sa propre évaluation des besoins l'exige, amorce des entretiens avec les ministères intéressés en vue d'assurer la formation et l'affectation la plus rationnelle possible des administrateurs supérieurs dans toute la fonction publique. Les nominations à ces postes devraient être soumises à l'approbation du Conseil du trésor.

En plus de ses obligations précises à l'égard de ces postes élevés, le Conseil du trésor, de concert avec les ministères, aurait la responsabilité générale de découvrir et de former les fonctionnaires particulièrement doués occupant des postes intermédiaires dans l'administration. Il doit aussi, par l'évaluation du rendement, s'assurer que les ministères eux-mêmes attachent l'importance requise à la formation et à l'affectation appropriée de tout leur personnel. De plus, au sein d'une organisation d'aussi grande envergure que la fonction publique, il y a danger constant que des fonctionnaires soient immobilisés dans des emplois sans avenir; le personnel du ministère en cause et celui du Conseil du trésor doit prendre toutes les précautions nécessaires pour empêcher la formation de ces îlots de mécontentement et pour ouvrir de nouveaux horizons aux fonctionnaires doués qui sont cantonnés dans des postes isolés ou affectés à des travaux qui leur répugnent».

Si l'on avait appliqué ces principes et si le Secrétariat du Conseil du trésor s'était acquitté de son rôle, la situation actuelle ne se serait peut-être pas produite.

8.27 L'efficacité de la gestion et du contrôle financiers dépend en grande partie du niveau de compétence de ceux qui y participent essentiellement. Il est indubitable qu'un

organisme ayant l'envergure et la complexité de l'administration fédérale a besoin d'un personnel comptable professionnel très compétent.

8.28 Si l'on donnait un statut officiel au groupe de comptables professionnels fédéraux, dont il est question ci-dessus, on contribuerait beaucoup à renforcer le rôle du comptable professionnel au sein du gouvernement, pourvu que le groupe bénéficie d'un leadership efficace. Ce leadership pourrait être assuré par un organisme central de l'État, possédant l'autorité, le prestige et l'autonomie que propose le dernier chapitre du présent Rapport.

8.29 Le présent chapitre fait ressortir le besoin de relever la qualité de l'administration financière, d'améliorer son moral et, partant, son utilité, et d'en rétablir l'importance en tant qu'élément de valeur de l'administration gouvernementale. Il s'agit d'offrir aux gestionnaires un service de soutien énergique et compétent. Cela ne diminuera pas l'autorité ni la responsabilité des gestionnaires, mais leur fournira les instruments qu'il leur faut pour accomplir leur travail. En même temps, la gestion et le contrôle financiers centralisés, dont on a souligné sans cesse le besoin dans le présent Rapport, seront grandement facilités si l'ensemble de la fonction financière est constitué d'un groupe d'employés efficaces et bien formés.

8.30 *Il faudrait confier à un organisme central du gouvernement qui aurait les connaissances voulues pour s'assurer que les ministères soient dotés d'un personnel financier compétent, la tâche d'aider la Commission de la Fonction publique dans les questions reliées à la formation du personnel des services financiers, de surveiller le déroulement de leur carrière et de donner des conseils en ce qui touche la compétence nécessaire à leur avancement.*

IX RESPONSABILITÉ DE LA GESTION ET DU CONTRÔLE FINANCIERS AU SEIN DES MINISTÈRES

9.1 La Loi sur l'administration financière attribue clairement aux sous-chefs la plupart des responsabilités en matière de gestion et de contrôle financiers au sein de leurs ministères. Dans le présent Rapport nous ne cherchons pas du tout à modifier ces responsabilités, qui s'imposent pour que les sous-chefs puissent être entièrement comptables aux ministres dont ils relèvent, au Premier ministre qui les nomme et au Conseil du trésor qui assume la responsabilité collective de l'administration financière dans l'ensemble du gouvernement. Les propositions contenues dans le présent chapitre concernent surtout le besoin de liens organiques appropriés dans les ministères, afin que le personnel financier soit en mesure de prêter aux sous-chefs l'appui dont ils ont besoin et qu'ils sont en droit d'attendre.

9.2 Il est manifeste que les sous-chefs n'ont pas reconnu suffisamment l'étendue considérable des pouvoirs financiers qu'ils détiennent en vertu de la Loi sur l'administration financière, ni de ceux qui leur ont été délégués par le Conseil du trésor. Il arrive trop souvent qu'ils attribuent les faiblesses existant dans leurs propres systèmes aux contraintes imposées par les organismes centraux. Il serait peut-être utile que le gouvernement canadien adopte la pratique suivie au Royaume-Uni selon laquelle les «agents comptables» nommés par le Trésor sont chargés de protéger les fonds publics et de veiller à ce qu'ils soient dépensés de façon légitime et justifiée. Dans l'application de cette pratique au pays, comme c'est le cas au Royaume-Uni, il conviendrait de nommer le sous-chef «agent comptable». En agissant ainsi, on reconnaîtrait officiellement le pouvoir considérable présentement délégué aux sous-chefs en vertu de la Loi sur l'administration financière et par le Conseil du trésor. On reconnaîtrait aussi que les responsabilités financières et autres charges administratives sont interdépendantes et ne sauraient être intégrées que par les sous-chefs ou par un agent de rang équivalent. L'adoption de cette pratique au Canada, bien que partiellement symbolique peut-être, ferait ressortir la responsabilité du sous-chef en ce qui touche:

- tous les aspects de l'administration financière au sein de son ministère;
- l'élimination du gaspillage et de l'extravagance;
- la dotation en personnel appropriée, en vue d'assurer que les autorisations financières qu'il délègue sont utilisées avec efficacité;
- la protection des biens publics de tous genres; et
- l'assurance que les imputations aux affectations de crédit sont conformes aux fins et conditions pour lesquelles elles ont été accordées par le Parlement.

9.3 Au Royaume-Uni, les «principaux agents financiers» sont nommés pour aider chaque «agent comptable». Leur influence au sein des ministères tient non seulement au fait qu'ils ont un accès direct auprès de leurs «agents comptables», mais aussi au fait qu'il est généralement admis que leur rôle est de veiller à ce que les actes ministériels soient

justifiables, si des questions d'irrégularités financières sont soulevées devant le Comité des Comptes publics par mon homologue britannique, le Contrôleur et Auditeur général.

9.4 Le présent chapitre traite de la structure de la gestion et du contrôle financiers au sein des ministères. Il fait ressortir essentiellement la façon dont le personnel financier seconde les sous-chefs et les autres gestionnaires responsables de programmes, dans la gestion et le contrôle appropriés des ressources financières.

STRUCTURES DE L'ORGANISATION MINISTÉRIELLE

9.5 La façon dont on organise les services financiers et dont les fonctionnaires supérieurs des finances rendent compte de leurs activités varient énormément d'un ministère à l'autre. Les arrangements ministériels comprennent, entre autres, ceux où le responsable de la fonction financière rend compte:

- directement au sous-chef du ministère;
- au sous-chef, par l'intermédiaire d'un fonctionnaire supérieur de l'administration qui est également chargé d'un certain nombre d'autres fonctions administratives, y compris la fonction afférente au personnel dans quelques cas; et
- au sous-chef, en passant par un ou plusieurs paliers d'agents supérieurs de l'administration qui assument, progressivement, des responsabilités administratives plus étendues, lesquelles englobent toujours le personnel à l'un ou l'autre de ces paliers de l'administration.

9.6 Les ministères qui se rangent dans chacune des catégories susindiquées ne présentent aucune particularité qui indiquerait pourquoi un ministère a adopté tel plan d'organisation plutôt que tel autre. L'unique conclusion générale que l'on puisse tirer, c'est que les ministères dont les exploitations sont hautement décentralisées semblent préférer que l'agent financier en chef rende compte directement au sous-chef. Les ministères très centralisés se sentent en mesure de réunir les fonctions administratives au niveau d'un agent administratif supérieur, plutôt que de demander aux divers services organiques de rendre compte séparément au sous-chef.

9.7 Il n'est pas impossible que ce soit les aptitudes personnelles qui régissent les rapports hiérarchiques, puisque à peu d'exceptions près, l'agent financier en chef qui rend compte directement au sous-chef possède une grande aptitude, ordinairement assortie d'une compétence comptable professionnelle. De plus, les ministères qui ont opté pour la responsabilité directe envers le sous-chef se préoccupent davantage de diriger, en matière de finances, leur personnel des bureaux extérieurs. Cela tient peut-être à la plus haute compétence des agents financiers ou pourrait indiquer que les agents financiers qui rendent compte directement au sous-chef sont mieux placés pour influencer leurs collègues des échelons inférieurs au sein du ministère.

9.8 Dans les cas où l'agent ministériel qui possède la plus haute compétence financière rend compte au sous-chef par l'intermédiaire d'un fonctionnaire supérieur de l'administration n'ayant pas la même compétence financière, il peut arriver que:

- les préoccupations quant à la gestion et au contrôle financiers ne soient pas assez bien formulées aux réunions de la haute direction; et que
- le statut du personnel financier s'en ressente au point que les agents de programmes cesseront de considérer ce personnel comme une source de conseils.

9.9 Il n'est pas nécessaire que l'agent administratif supérieur chargé des questions financières possède toujours une formation de comptable professionnel. Cela peut fort bien dépendre de l'importance et de la complexité des programmes d'un ministère. La fonction financière peut aisément se combiner à des fonctions administratives, sous l'autorité d'un fonctionnaire supérieur qui relève du sous-chef. Lorsque c'est le cas, toutefois, le fonctionnaire supérieur des finances doit posséder la formation appropriée, pour faire en sorte que les systèmes de gestion et de contrôle financiers soient adéquats, et pour conseiller judicieusement le sous-chef et son personnel supérieur.

9.10 Afin de s'assurer de bons systèmes budgétaires, comptables et d'établissement de rapports, y compris les méthodes de contrôle interne, il faut un haut degré de connaissances comptables spécialisées. La connaissance générale des programmes de l'État et des méthodes budgétaires, et une connaissance des méthodes des organismes centraux s'imposent pour pouvoir conseiller le personnel supérieur des programmes quant aux répercussions financières de leurs projets, et au meilleur emploi de leurs fonds. L'agent supérieur des finances du ministère doit donc posséder une expérience suffisante jointe à une formation adéquate pour être en mesure de traiter tous les aspects de la gestion et du contrôle financiers.

9.11 Les responsabilités qu'il est proposé d'impartir au fonctionnaire supérieur des finances de chaque ministère et qui sont décrites plus loin, indiquent clairement que ce fonctionnaire doit posséder un niveau minimum donné de compétence et d'expérience pour pouvoir s'acquitter efficacement de ses fonctions financières. Un trop grand nombre d'échelons administratifs entre le sous-chef et le premier fonctionnaire supérieur des finances dégrade la qualité de la direction offerte au personnel financier dans l'ensemble du ministère, et pourrait fort bien porter des employés compétents à chercher ailleurs des postes offrant la direction qu'ils sont en droit d'attendre.

9.12 *Le haut fonctionnaire responsable de la gestion et du contrôle financiers devrait relever directement du sous-chef et faire partie du comité de gestion du ministère. Il devrait toujours avoir la formation et l'expérience voulues pour conseiller le sous-chef sur tous les aspects de la gestion et du contrôle financiers, et pour assurer le leadership indispensable auprès de tout le personnel financier du ministère.*

DIRECTION ET ORIENTATION INTERNES

9.13 À l'heure actuelle, les fonctionnaires supérieurs des finances ne s'efforcent pas suffisamment de donner des conseils d'ordre technique au personnel exerçant des fonctions financières au bureau central ou dans les bureaux extérieurs, mais qui n'est pas directement sous leur surveillance. Aussi, les agents financiers de tous niveaux font peu pour participer au choix, à la formation et à l'évaluation des agents financiers et administratifs qui, bien que n'étant pas directement sous leur surveillance, exécutent le gros des fonctions de la gestion et du contrôle financiers, en secondant, par leur travail au niveau des exploitations, les gestionnaires responsables des finances au sein des ministères.

9.14 Peu de fonctionnaires supérieurs des finances donnent une direction efficace même dans les domaines où il serait nettement possible de le faire. Par exemple, les manuels financiers des ministères sont souvent insuffisants ou non à jour, bien que l'on ait noté récemment une amélioration à cet égard, grâce aux efforts des équipes d'évaluation du Conseil du trésor, qui examinent ce secteur et d'autres du même genre. Les fonctionnaires supérieurs des finances siègent aux comités de sélection formés pour recruter des agents financiers à plein temps, mais ils participent rarement à d'autres activités liées à la dotation en personnel financier. Il ne semble pas non plus exister de moyens propres à améliorer les communications entre le personnel financier du bureau central et celui des régions. Les fonctionnaires supérieurs des finances doivent aussi donner plus de conseils au personnel qui accomplit un travail de caractère financier, mais qui rend compte à des gestionnaires ne participant pas à la fonction financière.

9.15 Pareille direction ou orientation technique peut être offerte par divers moyens, dont les suivants:

- élaborer et communiquer, à l'aide des manuels financiers des ministères, les formules prescrites et les marches à suivre dans l'exécution de tâches financières spéciales;
- communiquer des renseignements sur les nouveaux principes et nouvelles méthodes financières, à l'aide de guides et de directives, de visites aux bureaux régionaux et de réunions périodiques;
- conseiller, sur demande, quant à la meilleure façon de régler les problèmes financiers de caractère non répétitif, ou ceux qui dépassent la compétence du fonctionnaire intéressé; et
- surveiller le rendement du personnel financier des bureaux régionaux et, à partir des éléments observés, donner des conseils sur l'appréciation du rendement du personnel, sur sa formation, et son progrès dans la carrière, ainsi que sur d'autres questions reliées à la dotation en personnel.

9.16 Ce besoin de direction en matière de finances ne s'applique pas seulement au personnel financier, à plein temps, des régions et à celui des services de programmes

ministériels au bureau central, mais également aux autres administrateurs qui participent, dans une mesure appréciable, à des travaux de nature financière.

9.17 Bon nombre de ministères ont du mal à recruter et à retenir assez longtemps des agents financiers du calibre voulu. Le taux élevé de postes vacants et de changement du personnel qui en résulte a nui aux systèmes de gestion et de contrôle financiers des ministères. En voici des exemples:

- lorsqu'il survient une pénurie de personnel, on accorde la priorité au contrôle essentiel et aux méthodes de traitement des opérations, au détriment de la prestation de services et de l'information;
- étant donné les changements fréquents de personnel, les agents financiers ne parviennent pas à s'instruire suffisamment des programmes ministériels pour donner les conseils qu'on attend d'eux. Aussi les gestionnaires et les agents financiers n'ont-ils pas le temps de susciter la confiance et le respect mutuels qu'exige un travail d'équipe ayant pour objet de résoudre les problèmes financiers et de mettre au point des mécanismes plus efficaces de gestion financière; et
- le renouvellement rapide du personnel entrave l'élaboration de systèmes financiers efficaces, vu que la conception des systèmes, l'établissement de marches à suivre et des formules à remplir, la formation du personnel et la mise sur pied de ces systèmes pourraient prendre plusieurs années, les modifications ne pouvant se faire qu'à un certain moment au cours de l'année financière.

9.18 Ce sont là des problèmes difficiles à résoudre, mais qui montrent bien qu'une direction plus ferme s'impose afin de compenser le manque de personnel financier expérimenté dans les bureaux extérieurs et de donner l'importance voulue aux aspects consultatifs et innovateurs de la gestion financière. Il ne serait pas étonnant qu'il faille resserrer le contrôle des dépenses et ralentir la décentralisation, à cause de la rareté de personnel financier compétent.

9.19 *Les fonctionnaires supérieurs des finances des ministères doivent fournir une direction et une orientation plus poussées au personnel exerçant des fonctions de gestion et de contrôle financiers. Pour ce faire, il faudrait au moins:*

- *qu'il existe des manuels financiers complets dans les ministères;*
- *que les fonctionnaires précités aient des contacts personnels avec les agents financiers et autres, à qui ils donneraient des directives techniques, même à l'aide de réunions officielles ou de visites périodiques sur place; et*
- *qu'ils participent à la sélection, à la formation et à l'évaluation du personnel financier, même si ce personnel ne relève pas directement de leur surveillance.*

ÉTENDUE DES ATTRIBUTIONS DU PERSONNEL FINANCIER

9.20 Le système actuel de gestion financière au sein des ministères tend à mettre davantage l'accent sur l'obligation de maintenir les dépenses dans les limites des affectations prévues, que sur celle d'utiliser le plus efficacement possible les fonds disponibles. Dans bon nombre de ministères, la préoccupation première du personnel financier est d'obtenir et de contrôler les affectations de caisse, plutôt que de contribuer à la gestion et au contrôle des ressources financières. Ce manque de souci à l'égard de l'efficacité et du rendement des dépenses s'est accru en raison de la facilité avec laquelle on peut faire des virements de fonds dans le cadre de crédits libellés en termes généraux, et de la mesure où les fonds excédentaires sont disponibles selon les méthodes actuelles d'établissement du budget.

9.21 À cause des méthodes qu'ils doivent suivre, les administrateurs de programmes estiment d'une valeur si douteuse les données qu'ils soumettent au Conseil du trésor ou celles que leur fournit le système centralisé d'établissement des rapports financiers, qu'ils sont peu portés à s'en tenir aux propositions budgétaires ou à utiliser l'information fournie par le système financier. Il arrive trop souvent que les administrateurs ne sont pas informés des raisons qui ont amené la réduction de leur budget ou de la façon dont ils devraient modifier leur projet de dépenses pour tenir compte de ces réductions. Cette situation incite les administrateurs de programmes à considérer le processus budgétaire et l'examen de rapports financiers comme de simples exercices scolaires qui les détournent de leur tâche réelle, c'est-à-dire celle de mener à bonne fin le programme ou le travail dont ils sont chargés.

9.22 Les responsabilités qui ressortissent au fonctionnaire supérieur des finances sont trop étroitement circonscrites dans presque tous les ministères. De façon générale, on n'admet pas au sein des ministères qu'on doit se soucier du contrôle interne dans tous les aspects de l'administration. C'est le fonctionnaire supérieur des finances qui devrait être chargé d'assurer des contrôles financiers adéquats, même dans des domaines où la responsabilité, à certains égards, incombe à d'autres.

9.23 Chose étonnante, il arrive souvent que les fonctionnaires supérieurs des finances n'estiment pas que leur rôle doit englober les aspects du contrôle interne dans d'autres secteurs administratifs; ou bien leur a-t-on interdit toute participation à ce contrôle. Pareille situation est tolérée parce que, dans bien des ministères, le fonctionnaire supérieur de l'administration qui est responsable envers le sous-chef de la fonction financière ne possède pas l'expérience qui le sensibiliserait à l'importance d'un bon contrôle financier. Les contrôles exercés sur les stocks, les immobilisations et la paie ne sont pas satisfaisants dans bien des cas. Les programmes de vérification interne ne révèlent pas ces lacunes, puisque de leur côté ils tendent à se fonder sur les mêmes notions étroites quant à la portée des contrôles financiers. Il faut accroître la responsabilité des fonctionnaires supérieurs des finances pour faire en sorte que les stocks, les immobilisations et la paie fassent l'objet de

contrôles financiers suffisants, au même titre que certains secteurs semblables qui n'entrent peut-être pas directement sous leur surveillance.

9.24 L'importance croissante que l'on attache à l'élaboration de systèmes perfectionnés d'information destinée à la gestion et l'emploi accru d'ordinateurs à toutes les fins du traitement des données, pourraient porter à soustraire à la surveillance directe des agents financiers une bonne partie du travail courant de tenue des registres concernant la comptabilité, l'établissement des prévisions budgétaires et des rapports de gestion. Cet état de choses ne devrait aucunement diminuer la responsabilité des agents financiers en ce qui touche l'efficacité du système d'information financière et l'utilité, pour ce système, des données émanant de ces sources extérieures.

9.25 Si l'on veut une meilleure justification de l'emploi des fonds publics, comme le préconise le présent Rapport, il faut modifier le rôle des fonctionnaires supérieurs des finances des ministères. Les sous-chefs et les autres cadres supérieurs doivent pouvoir s'en remettre à ces agents du soin de s'assurer que les budgets d'exploitation servent de base utile au contrôle budgétaire et que les rapports financiers révèlent les écarts importants qui appellent l'adoption de mesures par les gestionnaires.

9.26 Les responsabilités qu'il conviendrait, selon nous, d'impartir à un fonctionnaire supérieur des finances d'un ministère sont conçues de manière à exposer les fonctions dont il serait chargé, c'est-à-dire celles de:

- premier conseiller financier du sous-chef et des gestionnaires supérieurs de programmes;
- fonctionnaire supérieur responsable des systèmes ministériels d'administration financière; et
- surveillant indépendant du travail effectué par d'autres employés du ministère, afin de garantir la probité financière et d'assurer une communication exacte de l'information sur la programmation financière et ses résultats.

9.27 Par exemple, dans l'exercice de ce rôle de surveillant, le fonctionnaire supérieur des finances d'un ministère devrait être chargé de signer les demandes quant aux prévisions budgétaires et les états financiers du ministère pour indiquer qu'il est satisfait que ces demandes et états sont exacts et présentés comme il faut.

9.28 Les autres responsabilités que devraient assumer les agents financiers sont les suivantes:

Opérations

- concevoir des systèmes comptables et de rapports financiers et en assurer la bonne marche;
- établir et tenir à jour la classification des comptes du ministère;

- prévoir les besoins de trésorerie; et
- coordonner et réunir les données devant servir aux prévisions de programmes, au Budget des dépenses et aux Comptes publics.

Formulation de conseils

- conseiller le sous-chef et les administrateurs de programmes sur leurs besoins dans le domaine de l'administration financière et sur les conséquences financières de leurs projets et décisions;
- appuyer le sous-chef au cours des réunions avec des représentants d'organismes extérieurs, tels le Conseil du trésor et le Comité des comptes publics;
- interpréter les exigences législatives, réglementaires et autres exigences du Parlement et des organismes centraux en matière de finances; et
- coordonner et rassembler les données financières devant servir à la préparation des budgets.

Contrôle

- examiner les demandes quant aux prévisions budgétaires en vue de vérifier les coûts et de déterminer si ces demandes sont conformes aux directives;
- élaborer des mesures appropriées du résultat et du rendement;
- analyser les écarts entre les chiffres inscrits au budget et les chiffres réels reliés aux revenus et aux dépenses ainsi que les mesures du rendement;
- tenir des registres pour s'assurer que les crédits et les affectations ne sont pas dépassés;
- veiller à ce que le système de contrôle financier du ministère assure la bonne répartition des tâches et qu'il embrasse tous les revenus, les dépenses et les éléments d'actif;
- exercer directement son pouvoir de payer, conformément à l'article 26 de la Loi sur l'administration financière; et
- donner des conseils sur la portée, l'ampleur et les résultats de vérifications financières.

Direction

- offrir une direction d'expert sur des questions financières aux agents des finances et aux agents d'administration, qui assument des responsabilités financières à l'égard des programmes dans les bureaux central et régionaux;

- donner des conseils sur l'organisation des services financiers, la dotation en personnel, la formation et l'évaluation des agents financiers qui assurent des services aux gestionnaires d'exploitation du ministère, à tous les niveaux;
- s'assurer que les guides financiers des ministères sont complets, à jour et distribués à tout le personnel qui en a besoin; et
- mettre au point des directives sur la préparation des budgets, y compris les formules, le calendrier et les données sur le coût.

9.29 *On devrait charger les fonctionnaires supérieurs des finances des ministères de:*

- *fournir des services de rapports financiers, budgétaires et comptables;*
- *veiller à ce qu'il existe des contrôles financiers suffisants pour tous les actifs et les opérations financières;*
- *conseiller et seconder les sous-chefs et leur personnel sur toutes les questions qui ont trait à la gestion et au contrôle financiers;*
- *préparer, surveiller et contrôler les affectations budgétaires par l'analyse des rapports financiers, et vérifier la valeur des méthodes de préparation de ces rapports; et*
- *fournir une direction et une orientation techniques à tout le personnel des ministères responsables de ces tâches.*

NOMINATION DES AGENTS FINANCIERS

9.30 Un sous-chef est responsable de la suffisance des systèmes de gestion et de contrôle financiers de son ministère. La Loi sur l'administration financière précise bon nombre de questions particulières qui relèvent d'un sous-chef. Elle fait ressortir l'aspect «contrôle» en chargeant le sous-chef de veiller à ce que les affectations ne soient pas dépassées, de s'assurer qu'il y a assez de fonds non grevés disponibles pour remplir les engagements et que toutes les demandes de paiement constituent des imputations légales sur les crédits visés.

9.31 La thèse de M. Glassco, selon laquelle il convient d'accorder plus de latitude aux ministères quant à la façon de contrôler les fonds que leur attribue le Parlement, visait à accroître l'autorité des sous-chefs. M. Glassco ajoute, toutefois, que «deux restrictions s'imposent si l'on veut attribuer une plus grande liberté d'action aux ministères: les administrateurs doivent se guider sur les règles communes établies par le Conseil du trésor et ce dernier devrait être tenu de signifier son accord pour la nomination des agents supérieurs des finances au sein de chaque ministère et organisme et de participer au développement de leurs carrières.»

9.32 Bien que le Conseil du trésor ait publié un guide d'administration financière, le Secrétariat n'intervient presque pas dans les nominations d'agents financiers, lesquelles sont presque entièrement du ressort des ministères, sous la seule réserve de l'assentiment de

la Commission de la Fonction publique. À l'heure actuelle, le Conseil du trésor ne dispose que de moyens restreints pour s'assurer qu'on respecte ses directives puisque, les fonctionnaires supérieurs des finances n'ont pas ce que M. Glassco appelle «le sentiment que leur carrière future se fonde surtout, mais non exclusivement, sur l'évaluation de leur rendement par le personnel du Conseil du trésor, plutôt que sur leur aptitude à plaire aux chefs de leurs ministères».

9.33 Les propositions dont il est question dans le prochain chapitre du présent Rapport veulent renforcer la gestion et le contrôle financiers au niveau central. Elles n'y parviendront, toutefois, que si les organismes centraux peuvent se fier aux données et aux systèmes de chaque ministère. Le Secrétariat du Conseil du trésor, malgré la menace indirecte de retenir les fonds, n'a pas réussi à obtenir un niveau suffisant de gestion et de contrôle financiers. La situation fâcheuse actuelle tient peut-être, entre autres raisons majeures, à la non application de la recommandation de M. Glassco, qui visait à permettre au Conseil du trésor d'intervenir dans l'avancement des agents financiers. Un organisme central manquera d'un moyen essentiel de garantir l'application de ses directives, à moins qu'il ne participe plus activement à la nomination des fonctionnaires supérieurs des finances des ministères, et que ceux-ci interviennent, à leur tour, dans les nominations de ceux qu'ils dirigent. C'est en collaborant avec la Commission de la Fonction publique que l'on y parviendra le mieux.

9.34 Il ne s'agit pas, dans ce qui précède, de rétablir la situation qui existait avant 1969, époque où les agents du Trésor dans les ministères rendaient compte au Contrôleur du trésor. Les sous-chefs auraient toujours le droit de choisir leurs conseillers. Quant à la recommandation voulant que la nomination des fonctionnaires supérieurs des finances soit soumise à l'approbation du Conseil du trésor, M. Glassco a dit «qu'il faut souligner que les agents des finances des ministères ne seraient pas des fonctionnaires du Conseil du trésor du simple fait que le Conseil interviendrait dans leur nomination». La nomination d'un fonctionnaire supérieur des finances du ministère ajoute aux ressources du sous-chef et ne porte aucunement atteinte à son autorité ou à sa responsabilité.

9.35 *La Commission de la Fonction publique ne doit nommer des fonctionnaires supérieurs des finances dans les ministères qu'après consultation avec les organismes centraux appropriés, pour s'assurer qu'on reconnaît les qualités et le rendement des personnes recommandées par les sous-chefs. La nomination d'autres agents financiers ne doit se faire au sein des ministères qu'après une consultation semblable avec les fonctionnaires supérieurs des finances.*

X BESOIN D'UNE DIRECTION CENTRALE PLUS FERME

10.1 Dans les chapitres précédents un certain nombre de propositions ont été formulées qui appelleraient de la part d'un organisme central une étude ou la prise de mesures pertinentes. Il s'agirait en l'occurrence:

- d'étudier la forme et la matière du Budget des dépenses et de les coordonner avec celles des Comptes publics;
- d'améliorer le processus budgétaire au moyen d'une meilleure communication d'objectifs et de priorités mieux définies, d'examen périodiques de tous les programmes, de données qualitatives, ainsi que d'une meilleure présentation et explication des procédures, et de former le personnel à cet égard;
- d'approuver et de réévaluer périodiquement les systèmes ministériels de contrôle budgétaire et de rapports financiers;
- étudier les moyens d'améliorer l'exactitude des systèmes comptables et de rapport et en assurer la présentation en temps opportun;
- d'examiner et d'approuver les aspects du contrôle financier de tous les systèmes ministériels concernant les dépenses, les revenus et les éléments d'actif;
- de prescrire les normes, des vérifications financières des ministères;
- de mener plusieurs études des systèmes de personnel qui influent sur la dotation en personnel de la fonction financière; et
- d'aider à la formation et au déroulement de la carrière du personnel financier et de donner des conseils en ce qui touche la compétence requise.

Si nous insistons sur les responsabilités centralisées plutôt que sur les responsabilités ministérielles, c'est que le présent Rapport porte sur des questions d'un intérêt global touchant tous les services de l'État. Ces questions ont été exclues des rapports présentés aux sous-chefs des ministères et organismes, parce qu'il n'était ni possible ni souhaitable que ceux-ci prennent des mesures unilatérales.

10.2 En 1962, la Commission Glassco recommandait une réorganisation et une décentralisation importante des responsabilités en matière de gestion et de contrôle financiers en faveur des ministères, et les modifications qu'elles entraîneraient quant aux responsabilités du Conseil du trésor, de son Président et de son Secrétaire, ainsi que du ministère des Finances et du Contrôleur du trésor (qui était alors un fonctionnaire du ministère des Finances et que M. Glassco assimilait à «un agent de police qui fait sa ronde dans les ministères pour s'assurer de la rectitude de leur conduite en matière financière»). Il est tout à fait évident, en comparant les conclusions du présent Rapport avec celles de M. Glassco que, même si M. Glassco a trouvé que les responsabilités financières étaient excessivement centralisées, il reste que de nombreuses insuffisances actuelles résultent d'une décentralisation dépourvue d'une direction centrale efficace.

10.3 L'ampleur des faiblesses que décrit le présent Rapport fait ressortir le besoin d'une direction centrale plus ferme, si l'on veut atteindre, à l'avenir, un niveau plus élevé de gestion et de contrôle financiers. Le présent chapitre termine le Rapport par l'examen de la façon dont s'exercent les responsabilités centrales et l'indication des moyens par lesquels une meilleure direction centrale peut être réalisée.

ATTRIBUTION ACTUELLE DES RESPONSABILITÉS CENTRALES

Conseil du trésor

10.4 La Commission Glassco recommandait que le Conseil du trésor, en tant que comité du Cabinet, soit placé sous la présidence d'un ministre ne dirigeant aucun ministère proprement dit et qui serait responsable de la coordination des programmes et de l'administration générale de la Fonction publique. Selon M. Glassco, le responsable serait «au service du Conseil et, au besoin, du Cabinet lui-même - le Secrétaire étant entouré d'un personnel peu nombreux et de grande valeur». Au sein de ce personnel, M. Glassco distinguait trois divisions principales:

- «Une division des programmes et des normes s'occupant de l'analyse des programmes, de l'examen des crédits des ministères et de la détermination des normes générales d'administration.
- Une division du personnel chargée de la politique et des normes de gestion se rapportant au personnel, de même que des relations entre les directions et les fonctionnaires.
- Une division des améliorations administratives chargée de promouvoir et de diriger un programme - depuis longtemps nécessaire - de perfectionnement continu des méthodes et du régime de travail au sein de la Fonction publique toute entière».

En outre, le personnel du Conseil du trésor participerait à «l'examen du plan d'organisation du gouvernement, à la détermination des mesures nécessaires d'adaptation, à l'évaluation du rendement des ministères et des aptitudes des administrateurs supérieurs et, d'une façon générale, à la mise en oeuvre de moyens propres à améliorer les méthodes de gestion et à assurer une direction administrative énergique dans toute la Fonction publique.»

10.5 La Loi sur l'administration financière attribue la responsabilité de l'administration financière aux divers services du gouvernement canadien. Elle assigne au Conseil du trésor une partie, mais non l'ensemble des responsabilités pour ce qui est d'assurer une gestion et un contrôle financiers satisfaisants. L'article 5 définit les attributions générales en matière de gestion financière et de tenue des comptes. L'article 6 délimite le pouvoir de réglementation visant certaines de ces attributions. Plus de 20 autres articles confèrent au Conseil du trésor l'autorisation d'édicter des règlements, de prendre certaines mesures particulières ou de présenter des recommandations au gouverneur en conseil. Un bon nombre de ces attributions, dont certaines figuraient déjà dans la Loi initiale de 1951, n'ont jamais été assumées.

10.6 L'existence du poste de Contrôleur du trésor explique peut-être l'inaction du Conseil jusqu'en 1969. Le personnel du Contrôleur et celui du Conseil exerçaient une activité étroitement connexe, puisque les deux groupes se composaient des employés du ministère des Finances jusqu'en 1965. Le Contrôleur du trésor fournissait aux ministères et aux organismes la plupart des services financiers dont ils disposaient. Également il pouvait rejeter toute demande de paiement à prélever sur le Fonds du revenu consolidé, s'il jugeait qu'il s'agissait d'une imputation non légale ou d'un paiement qui dépasserait un crédit ou qui laisserait un solde insuffisant pour faire face aux engagements portés au compte de ce crédit. Ainsi, le Conseil du trésor n'avait guère lieu de prescrire des règlements ou d'émettre d'autres directives. En fait, le propre manuel du Contrôleur, plutôt que toute directive émanant du Conseil du trésor, servait de principale source d'instructions sur la gestion et le contrôle financiers.

10.7 La situation a changé en 1969. Les modifications apportées à la Loi sur l'administration financière ont attribué aux sous-chefs des ministères et des organismes la responsabilité première de la gestion et du contrôle financiers. Le poste de Contrôleur du trésor a été aboli, et le personnel de ce dernier a constitué le noyau de l'effectif de la section des services du M.A.S., qui, dans le domaine des finances, dessert les ministères principalement à leur demande. Il semble qu'à ce moment-là le Conseil du trésor n'ait pas donné suite aux changements précités, si ce n'est d'adopter les règlements qui s'imposaient afin de tenir compte des nouveaux rapports établis entre le M.A.S. et les ministères et organismes.

10.8 Vers la même époque, les réformes d'organisation interne recommandées par la Commission Glassco, dans le cas du Conseil du trésor, ont été modifiées par suite du démembrement de la direction des améliorations administratives qui avait joué le rôle de la «division des réformes administratives» préconisée par M. Glassco, et de la création de deux nouvelles directions: celle de la planification et celle de la politique administrative. Ainsi, les responsabilités en matière de gestion et de contrôle financiers ont été réparties entre trois directions:

- Programmes — pour l'affectation des ressources et le contrôle budgétaire;
- Planification — pour la mise au point d'une vaste gamme de techniques de planification et d'évaluation, y compris la vérification interne; et
- Politique administrative — pour toutes les autres questions de gestion financière.

10.9 L'une des premières préoccupations de la nouvelle direction de la politique administrative a été d'étudier la qualité de la gestion et du contrôle financiers dans certains ministères choisis. Cela a donné lieu à la publication, en 1973, du Guide d'administration financière pour les ministères et organismes du gouvernement du Canada. Dans son avant-propos, le Guide indique «aux sous-chefs la marche à suivre pour assumer leurs responsabilités en matière d'administration financière». En 1974, la direction a entrepris une évaluation de la mesure dans laquelle les ministères se conformaient aux directives et lignes directrices contenues dans le Guide, et elle s'est occupée de plus en plus d'encourager

l'adoption, au chapitre de l'administration financière, de réformes en accord avec ces directives et lignes directrices.

10.10 À la fin de 1974, le Conseil a nommé un secrétaire adjoint de l'administration financière au sein de la direction de la politique administrative. Le personnel de cet agent recommande à l'approbation du Conseil des principes d'administration financière et évalue les systèmes financiers des ministères. Il ne s'occupe pas, toutefois, de donner aux ministères des directives concernant la présentation des demandes budgétaires au Conseil du trésor ou d'explicitier les autorisations accordées aux ministères par le truchement des crédits annuels et autres, qui confèrent certains pouvoirs statutaires de prendre des mesures qui, souvent, vont à l'encontre des exigences générales de la Loi sur l'administration financière. Les demandes quant aux prévisions budgétaires présentées au Conseil du trésor constituent le fondement de la plupart des processus budgétaires ministériels et régissent la plupart de leurs autres méthodes financières, mais le secrétaire adjoint de l'administration financière n'étant généralement pas consulté, on ne peut pas supposer que les méthodes et propositions budgétaires tiennent suffisamment compte du contrôle financier. Bien que le S.M.R.E. soit un important moyen de contrôle budgétaire et d'affectation des ressources, il relève toujours de la direction de la planification, qui l'a mis au point. De la sorte, trois directions du Secrétariat se partagent donc la responsabilité des questions qui font l'objet du présent Rapport.

Ministère des Approvisionnements et Services

10.11 L'élément «services» du M.A.S. dispense sur demande, une vaste gamme de services aux ministères, y compris des services de traitement électronique des données, de comptabilité, de vérification et de finance. Dans ce rôle, il peut arriver que le M.A.S. observe dans les ministères des pratiques qui enfreignent les directives du Parlement et du Conseil du trésor. En tant qu'organisme de services, il n'est toutefois pas en mesure de mettre un terme à ces pratiques ou de les signaler à la haute gestion. Il en résulte que ni le Parlement ni le Conseil du trésor ne peuvent lui demander de faire respecter les instructions données, advenant qu'un sous-chef veuille les ignorer.

10.12 Le Ministre des Approvisionnements et Services cumule aussi les fonctions de Receveur général du Canada. Il est directement responsable des recettes et déboursés de caisse inscrits au Fonds du revenu consolidé et des comptes centraux du Canada, ainsi que de la préparation des Comptes publics. Cependant, ces attributions n'incombent pas uniquement à ce ministre. La Loi impartit au Ministre des Finances la responsabilité de la gestion du Fonds du revenu consolidé, de l'établissement de la forme des Comptes publics et des comptes devant être tenus à l'égard de l'actif et du passif direct et éventuel. Les comptes reliés aux dépenses, aux revenus et aux autres paiements versés au Fonds du revenu consolidé ou qui y sont prélevés sont assujettis aux règlements du Conseil du trésor.

10.13 La loi ne définit pas aussi clairement les responsabilités du ministère des Finances en matière de gestion et de contrôle financiers. D'une façon générale, on peut dire que, malgré les responsabilités statutaires attribuées au Ministre des Finances, le personnel du Receveur général est tenu de s'occuper des opérations quotidiennes du Fonds du revenu consolidé et de préparer les Comptes publics ainsi que les états financiers du gouvernement. Cependant, en raison du rôle du Ministre des Finances comme principal conseiller financier du gouvernement, il est rare que l'on ne tienne pas compte de ses opinions et de celles de son ministère. Lorsque le Secrétariat du Conseil du trésor et le Bureau du Contrôleur du trésor faisaient partie du ministère des Finances, la voie hiérarchique officielle aboutissait évidemment au Ministre des Finances. Aujourd'hui, deux autres ministères et leurs titulaires se partagent la responsabilité en question.

NÉCESSITÉ D'UNIFIER LES RESPONSABILITÉS CENTRALES

10.14 Toutes les recommandations du présent Rapport ont pour objet d'améliorer les contrôles financiers. Les plus importantes reconnaissent, d'une façon explicite ou implicite, le besoin d'un organisme central capable d'assurer une direction générale. Ces responsabilités centrales pourraient être concentrées dans un seul organisme ou partagées entre deux organismes ou plus. Il est clair que si l'on veut coordonner les contrôles et en assurer le fonctionnement efficace, il faudrait en unifier la direction et non la diviser, et cette direction devrait être confiée à un seul organisme central.

10.15 Les constatations que renferme le présent Rapport font clairement ressortir les responsabilités que devrait assumer cet organisme central. Il s'agirait de recommander au Conseil du trésor des principes, des directives et des orientations dans tous les domaines de la gestion et du contrôle financiers, d'en donner l'interprétation aux ministères, d'évaluer les systèmes ministériels de contrôle financier et d'assurer le leadership de tout le personnel financier de l'État. Il devrait notamment:

- donner des conseils sur le contenu du Budget des dépenses du point de vue du contrôle budgétaire et des rapports financiers;
- coordonner la matière des Comptes publics de façon à assurer l'uniformité entre le Budget et les Comptes publics;
- donner des conseils au sujet des pratiques comptables qu'autorisent les lois portant affectation de crédits et autres et qu'il faut suivre pour établir les états financiers du Canada;
- approuver et surveiller les systèmes ministériels de contrôle budgétaire, de rapports financiers et d'évaluation des coûts;
- préparer, à l'égard de l'ensemble des services de l'État, des analyses des écarts importants entre le rendement financier obtenu et le rendement financier prévu;

- prescrire des exigences centrales en ce qui touche l'information comptable et examiner la valeur de la structure des comptes dont les ministères font usage dans leurs rapports budgétaires et financiers;
- établir des normes de vérifications internes de la rectitude des opérations financières et de l'efficacité des travaux, et surveiller l'exécution de ces vérifications internes; et
- conseiller la Commission de la Fonction publique au sujet des titres de compétence que doit posséder le personnel financier, et collaborer à la formation des membres de ce personnel ainsi qu'au déroulement de leur carrière.

Cette liste de responsabilités fait voir l'étroit rapport qui existe entre le processus budgétaire et les autres contrôles financiers: le Budget des dépenses régit les Comptes publics, sert de fondement aux rapports de contrôle budgétaire et détermine la nature de la plupart des renseignements conservés dans les comptes.

Unification des responsabilités au sein du Secrétariat du Conseil du trésor

10.16 En vertu de la Loi, c'est au Conseil du trésor qu'il appartient principalement d'assurer la gestion financière dans tous les services de l'État. Il est donc l'organisme le plus logiquement en mesure de fournir une direction centrale efficace. Bien des gouvernements assignent souvent la responsabilité des contrôles financiers à un organisme budgétaire central, convaincus de trouver là la raison et le moyen d'engendrer une action efficace: la raison réside en ce que les contrôles peuvent contribuer à réduire les demandes de ressources; le moyen réside en ce que les fonds peuvent être refusés au ministère qui exercent des contrôles insuffisamment rigoureux.

10.17 M. Glassco était d'avis, semble-t-il, qu'une fois ses propositions de réforme mises en oeuvre, le Secrétaire du Conseil du trésor se chargerait de donner une direction centrale en ce qui touche les questions de contrôle financier. Cependant, les faits révèlent que depuis lors aucun Secrétaire n'a assumé pleinement ce rôle. Même si de nombreux facteurs peuvent avoir contribué à cet état de choses, le fardeau des nombreuses autres responsabilités du Secrétaire en serait une justification suffisante.

10.18 A l'époque de M. Glassco, c'était la direction des programmes qui exerçait la plupart des responsabilités du Conseil en matière de gestion et de contrôle financiers. Elle a toutefois conservé le contrôle budgétaire, lorsque fut établie la direction des réformes administratives, ce qui explique peut-être pourquoi cette dernière traitait la gestion financière comme s'il s'agissait d'une gestion des écritures, de recherche opérationnelle et de procédures administratives. Tout au plus un ou deux agents relativement subalternes étaient affectés à l'exercice de ce rôle. Lorsque la direction de la politique administrative et celle de la planification ont été établies, la plupart des responsabilités touchant la gestion et le contrôle financiers ont été confiées à la première, bien que la seconde ait pris en charge des attributions qui relevaient auparavant du domaine de la gestion financière et qui concernaient la planification, les systèmes d'information et des fonctions assimilées à la vérification.

10.19 Par voie de conséquence, trois directions du secrétariat du Conseil se partagent maintenant la tâche de donner une orientation centrale en matière de gestion et de contrôle financiers, et seul le Secrétaire peut coordonner ces activités. Les sous-secrétaires des directions disposent d'une latitude considérable pour administrer leurs services, de sorte qu'aux yeux des ministères le secrétariat semble parfois donner des directives contradictoires. Pour que le Conseil du trésor puisse assurer une direction centrale plus ferme, la responsabilité devrait être centralisée à un niveau autre que celui du Secrétaire, car en raison des nombreuses autres attributions importantes qu'il assume, le Secrétaire n'est vraisemblablement pas en mesure d'accorder à la gestion et aux contrôles financiers l'attention voulue.

10.20 Selon les constatations dont nous faisons état dans le présent Rapport, la plus grande lacune est probablement le fait que le contrôle budgétaire n'est efficace, ni au niveau central ni dans les ministères. Pour remédier à cette faiblesse, il faut mieux expliciter les plans au moment de l'affectation des ressources. L'unification, au sein de la direction des programmes du Secrétariat, des responsabilités en matière d'affectation des ressources et de contrôle, peut donc paraître tout à fait logique.

10.21 Cependant, il apparaît que, dans la réalité, la direction des programmes, qui s'est vu attribuer la responsabilité du contrôle budgétaire, n'a guère fait d'efforts pour donner des lignes directrices appropriées:

- le libellé des crédits et l'énoncé des objectifs contenus dans le Budget des dépenses sont peu à peu devenus si généraux qu'ils ne sont pas de nature à fournir au Conseil et au Parlement un moyen de contrôle utile sur les dépenses des ministères;
- les données contenues dans la présentation des prévisions de dépenses sont acceptées sans qu'on détermine par la suite si l'on peut s'y fier, en les comparant aux dépenses inscrites;
- le sujet du contrôle des affectations qui, dans un manuel antérieur, était traité dans un chapitre distinct, a été omis lorsqu'on a rédigé le manuel des prévisions de programmes et du Budget des dépenses voici dix ans; et
- la direction n'exige pas, au sujet des dépenses réelles, des rapports qui lui permettraient de surveiller les dépenses des ministères en regard du Budget des dépenses.

Les raisons de ce manque d'intérêt résident peut-être dans ce qui suit: le programme et l'orientation des politiques de la direction des programmes, l'admission du fait que les décisions touchant l'affectation des ressources sont souvent plus faciles à prendre lorsque les fins pour lesquelles les fonds sont demandés restent définies en termes vagues ou généraux; le manque d'analystes de programme possédant une bonne formation en matière de finances, la pression de diverses autres responsabilités, ou encore l'opinion selon laquelle la direction n'est pas en mesure d'intervenir quand des ministères décident de ne pas tenir compte des plans que comportent les demandes reliées aux prévisions de programmes et au budget des dépenses.

10.22 Dans le secteur privé, c'est l'administrateur de l'entreprise qui décide de l'affectation des ressources entre les programmes qui se font concurrence. Une fois les décisions prises, l'administrateur en chef s'en remet à son agent financier en chef pour ce qui est de surveiller les dépenses et de lui signaler les écarts par rapport au plan établi.

10.23 Un bon contrôle financier exige une répartition judicieuse des responsabilités. Bien entendu, le degré de répartition des responsabilités est affaire de jugement et une fonction de la taille d'un organisme. Toutefois, on aboutirait sûrement à un meilleur contrôle si la responsabilité du contrôle budgétaire était confiée à un autre personnel que celui qui examine les demandes des ministères en premier lieu. De la sorte, on augmenterait aussi les chances que le contrôle budgétaire reçoive l'attention qu'il mérite.

10.24 S'il y avait unification des responsabilités énumérées ci-dessus, le Conseil devrait assumer, en plus de ses autres fonctions, la responsabilité des pratiques de comptabilité et de rapports qui incombent actuellement au ministère des Finances. Celui-ci continuerait toutefois à s'occuper de la gestion des soldes de trésorerie de l'État. Le Receveur général serait toujours chargé des opérations bancaires, y compris le contrôle des entrées d'argent et de l'émission des chèques. Il y aurait donc assez peu de changements dans les attributions des deux autres ministères, sauf que le Conseil, par l'entremise de son Secrétariat, serait chargé au premier chef d'établir les pratiques comptables qui régissent les rapports financiers communs à tout l'appareil gouvernemental, dont les Comptes publics.

10.25 L'unification des responsabilités transformerait aussi le partage des attributions au sein du Secrétariat. Deux options sont possibles: réunir dans une nouvelle direction les responsabilités qu'assument actuellement les directions des programmes, de la planification et de la politique administrative ou ne pas toucher aux responsabilités et nommer un haut fonctionnaire pour les coordonner. Les deux options unifieraient les responsabilités et assureraient une meilleure coordination. Dans l'un et l'autre cas, le responsable de la gestion et du contrôle financiers aurait les moyens de garantir que les ministères divulguent suffisamment de renseignements sur leurs programmes, que le contrôle des crédits votés est efficace, que les consignes du Conseil du trésor sont respectées et que les fonds publics sont utilisés avec probité et sagesse.

10.26 Pour assurer une direction centrale plus efficace, le Conseil du trésor devrait évidemment accroître quelque peu ses effectifs. Un petit groupe d'agents financiers supérieurs serait chargé, avec des analystes de programme, de vérifier les données du Budget des dépenses, de passer en revue les états financiers mensuels et de faire les analyses dont auraient besoin les analystes ou le Conseil lui-même. Il faudrait également augmenter le nombre des personnes qui évaluent les systèmes ministériels ou qui travaillent dans le domaine des politiques. Bien que peu nombreux au total, ces nouveaux employés grossiraient passablement les effectifs du Secrétariat, conséquence dont il faut tenir compte, car il est évidemment souhaitable que le Secrétariat reste le plus petit possible, de façon que les problèmes administratifs ne le détournent pas de son rôle prioritaire.

Unification des responsabilités au sein d'un autre organisme central

10.27 Avant les changements de structure apportés à l'instigation de M. Glassco, la responsabilité d'assurer une direction centrale était manifestement centrée sur le Ministre des Finances: celui-ci était président du Conseil du trésor, et le secrétaire du Conseil était un fonctionnaire de son ministère; le Contrôleur du trésor relevait de lui et son personnel faisait aussi partie du ministère des Finances.

10.28 Certains gouvernements et certains organismes du secteur privé confient la responsabilité du contrôle financier à un département des finances puisque ce dernier s'occupe à la fois d'obtenir et d'en contrôler l'utilisation. Cette façon d'agir est des plus logiques lorsque les recettes et les dépenses doivent s'équilibrer. De nos jours, même si le ministère des Finances est le principal conseiller en matière de politique financière, l'ultime responsabilité d'établir le niveau des dépenses et celui des revenus ainsi que l'équilibre entre les deux, incombe au Cabinet et à son Comité chargé de la planification et des priorités. Ainsi, le fait de centraliser la responsabilité du contrôle financier au ministère des Finances ne présente pas les mêmes avantages, surtout parce que peu de responsabilités dans ce secteur restent aujourd'hui imparties à ce ministère.

10.29 Faire exercer plus de contrôle par l'élément des Services du ministère des Approvisionnements et Services serait également peu souhaitable, car on ne saurait logiquement s'attendre qu'il fournisse des services aux sous-chefs tout en exerçant des contrôles sur eux à l'égard de questions connexes. Qui plus est, le grand nombre d'employés administratifs et de bureau dont le M.A.S. a besoin pour dispenser ses services serait de nature à engendrer le type de contrôles bureaucratiques qui caractérisaient le bureau du Contrôleur du trésor et qui ont sapé l'autorité des sous-chefs et le sens des responsabilités de leur personnel financier avant 1969.

10.30 À défaut de confier au Secrétariat du Conseil du trésor le leadership central en matière de gestion et de contrôle financiers, il serait préférable d'établir un nouvel organisme central dirigé par une personne qui relèverait directement d'un ministre du gouvernement. Cette solution risquerait d'entraîner des dépenses supplémentaires et irait à l'encontre de la condensation des responsabilités à laquelle on tend toujours. Elle garantirait cependant que la fonction financière recevrait l'attention d'un ministre et que l'organisme ne disperserait pas ses efforts. Si l'on retenait cette option, il serait essentiel que le chef de l'organisme soit considéré au gouvernement comme le plus haut responsable de la gestion et du contrôle financiers. Il devrait entretenir d'étroits rapports avec la direction des programmes du Conseil du trésor, de façon à harmoniser le processus d'affectation des ressources avec la fonction de contrôle financier. Cependant, le Conseil ne devrait pas chercher de son côté à surveiller les dépenses des ministères et à examiner leurs contrôles, mais devrait plutôt s'en remettre au nouvel organisme comme principale source de conseils en matière de contrôle financier.

LEADERSHIP EFFICACE

10.31 Sans égard à la solution qu'on retiendra, le haut responsable de la gestion et du contrôle financiers de l'Administration fédérale devrait jouir d'un prestige suffisant pour avoir directement accès auprès des sous-chefs et pour que ces derniers le consultent à leur tour sans craindre de blesser leurs conseillers financiers. De plus, son poste devrait être assez élevé pour lui permettre de donner aux fonctionnaires supérieurs des finances des ministères, des directives d'ordre professionnel sur des questions touchant tous les services de l'État.

10.32 Le prestige du poste ne suffira pas, à lui seul, à garantir que la direction fournie répondra aux besoins. Le titulaire doit aussi posséder l'expérience et les connaissances requises pour être en mesure d'influer sur les sous-chefs et leur personnel. Il lui faudrait:

- avoir assumé, au cours de sa carrière dans les services de l'État ou à l'extérieur, des responsabilités financières et de gestion;
- être reconnu comme un chef de file parmi les administrateurs financiers de l'État; et
- posséder une sagesse incontestable et suffisante pour être en mesure de donner des conseils sur des questions de principe.

10.33 De plus, il importerait que le titulaire ne considère pas son poste de chef de l'administration financière comme un tremplin qui lui permettrait d'accéder à d'autres emplois. S'il doit avoir pour tâche d'examiner les systèmes et le rendement des ministères, il doit être capable de le faire sans se soucier des conséquences fâcheuses que l'accomplissement de cette tâche pourrait avoir sur son avenir professionnel. Cet objectif ne serait atteint que si son poste était considéré comme l'apogée d'une carrière.

10.34 La principale action de l'organisme compétent consisterait à jouer un rôle de leadership auprès des agents financiers des ministères, lesquels formeraient la source première d'information. Dans le cas où l'activité de l'organisme central donnerait lieu à la création d'un gros effectif, cela pourrait signifier que, plutôt que d'assurer le leadership nécessaire, il s'est orienté vers une intervention poussée dans les méthodes financières des ministères.

10.35 Nous reconnaissons que le type de personnel requis sera difficile à recruter et à retenir, d'autant plus qu'il y a, présentement, de nombreux postes vacants dans les ministères et que ceux-ci ont du mal à y pourvoir. Le premier devoir du chef de l'administration financière serait d'attirer et de former un personnel possédant la compétence voulue, puis d'améliorer la qualité générale des services financiers dans les ministères et organismes au moyen d'un plan de promotion professionnelle comportant des stages de perfectionnement dans les ministères et dans les organismes centraux.

10.36 *Toutes les recommandations du Rapport visent à l'amélioration des contrôles financiers. Les plus importantes reconnaissent, explicitement ou implicitement, la nécessité de*

mettre sur pied un organisme central qui assurerait une direction d'ensemble. Il est évident que, si l'on veut des contrôles bien coordonnés et efficaces, il faut clarifier et, si possible, unifier les responsabilités suivantes:

- *recommander au gouvernement des politiques, des directives et des lignes directrices dans le domaine de la gestion et du contrôle financiers, et en fournir l'interprétation;*
- *donner des conseils au sujet de la forme du Budget des dépenses et des Comptes publics;*
- *évaluer les structures de programmes et d'activités des ministères, ainsi que les méthodes de mesure fondées sur les coûts, y compris d'autres systèmes de mesure étayant cette structure;*
- *approuver et surveiller le contrôle budgétaire des ministères, de même que leurs systèmes de rapports et de contrôle financiers;*
- *faire des analyses des écarts entre le rendement des services financiers prévus et réels;*
- *établir des normes applicables aux procédés de vérification interne au sein des ministères et organismes et en surveiller l'application;*
- *établir les pratiques servant de règle à l'établissement des états financiers et des Comptes publics du Canada; et*
- *aider la Commission de la Fonction publique à choisir et à former le personnel financier et à en orienter la carrière.*

ÉTUDE DE LA GESTION ET DU CONTRÔLE FINANCIERS

ANNEXE CONTENANT

LES RAPPORTS ADRESSÉS AUX MINISTÈRES ET ORGANISMES

INTRODUCTION

L'étude de la gestion et du contrôle financiers a porté sur 28 ministères et organismes. On trouvera ci-joint les observations et recommandations faites à chaque sous-chef, ainsi que les commentaires de ces derniers.

Une équipe de vérification s'est rendue dans chaque ministère et organisme pour y examiner en détail les méthodes en usage. L'équipe a interviewé un certain nombre de gestionnaires ministériels y compris des gestionnaires organiques, ainsi que la plupart des hauts fonctionnaires directement intéressés à la gestion et au contrôle financiers. Puisque l'étude portait essentiellement sur les systèmes, les vérificateurs s'en sont tenus, dans l'examen des opérations et des registres financiers, au minimum nécessaire pour comprendre et vérifier les renseignements tirés des entrevues ou des documents des ministères. C'est pourquoi les observations et recommandations contenues dans les rapports adressés aux ministères concernent surtout les systèmes, et non des opérations précises dont les équipes ont pu prendre connaissance au cours de leur vérification.

Chaque ministère et organisme a reçu un rapport provisoire, où nous lui exposons nos conclusions, notre analyse et nos recommandations. Après avoir rencontré les sous-chefs et leurs conseillers supérieurs des finances pour confirmer les conclusions et discuter des observations et recommandations, nous en avons rédigé des résumés et avons demandé aux ministères de les commenter. Ces résumés et les commentaires des ministères, approuvés par les sous-chefs, sont repris intégralement dans la présente annexe.

Sauf indication contraire dans les résumés, l'étude a porté sur tous les programmes et services de chaque ministère et organisme.

Au sujet des résumés il convient de signaler ce qui suit:

- ces résumés énumèrent les lacunes des systèmes. La longueur des listes ne témoigne en rien de la qualité relative des systèmes des divers ministères; elle est plutôt fonction du style propre à chacune des seize équipes de vérification;
- ils ne font pas mention des systèmes ministériels bien conçus, car l'objet de l'étude était de déceler les faiblesses et de proposer des mesures correctives;
- ils passent rapidement sur les problèmes attribuables, selon nous, à l'imperfection ou aux contraintes des systèmes centraux de personnel, de budget, de rapports financiers ou autres, car nous croyons ne pas pouvoir attendre des ministères qu'ils prennent seuls les mesures correctives nécessaires;

- l'ordre de présentation des observations et des conclusions n'est pas le même que dans le corps du Supplément, car nous avons tiré ces dernières après avoir envoyé bon nombre des résumés aux ministères;
- ils mettent l'accent sur les recommandations. Les recommandations qui n'étaient pas suffisamment claires par elles-mêmes sont précédées d'un paragraphe expliquant la nature du problème. Les ministères ne commentaient que les recommandations;
- nous n'avons pas cherché à vérifier si les mesures indiquées dans les commentaires des ministères avaient bel et bien été prises ou si elles avaient réussi à combler les lacunes mentionnées dans nos observations et recommandations.

Les résumés ne doivent pas être lus hors du contexte de l'ensemble du Supplément. Les principales lacunes de la gestion et du contrôle financiers que les résumés et le corps du Supplément mentionnent, s'appliquent à la plupart des ministères et organismes.

MINISTÈRE DES AFFAIRES DES ANCIENS COMBATTANTS

Observations et recommandations en date du mois de décembre 1974

Commentaires du Ministère en date du mois de mars 1975

L'étude n'a pas tenu compte des dépenses d'exploitation se rapportant aux crédits suivants:

Crédit 5: Commission des allocations aux anciens combattants

Crédit 25: Conseil de révision des pensions

Crédit 30: Commission canadienne des pensions

Crédit 40: Bureau des services juridiques des pensions

Notre étude a toutefois porté, pour ce qui est des crédits suivants, sur les formalités préalables au paiement, une fois que le droit en a été établi:

Crédit 10: Subventions et contributions de la Commission des allocations aux anciens combattants.

Crédit 20: Subventions et contributions des services de bien-être

Crédit 35: Subventions et contributions de la Commission canadienne des pensions.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

ORGANISATION

- En plus de ses attributions actuelles, le conseiller en gestion financière du Ministère devrait jouer un plus grand rôle fonctionnel par rapport aux contrôles et systèmes financiers et dans le recrutement, le perfectionnement et l'évaluation des agents financiers au service de la gestion du programme.

Notre conseiller en gestion financière assumera sans délais un plus grand rôle de conseiller par rapport aux fonctions, tout en veillant à ne pas empiéter sur les attributions essentielles de la direction du programme.

DOTATION EN PERSONNEL DES POSTES FINANCIERS

- Le Ministère a actuellement tout le personnel financier qu'il lui faut, cependant il ne planifie pas systématiquement ses besoins futurs, afin de disposer d'un délai adéquat pour former ou recruter des agents financiers suivant la qualité et le nombre requis.

Le Ministère devrait procéder périodiquement à des études comparatives de ses ressources et de ses besoins de personnel financier.

Nous le ferons, dans le cadre du nouveau plan de perfectionnement et de remplacement des gestionnaires.

OBSERVATIONS ET RECOMMANDATIONS

- Le Ministère devrait instituer un programme global d'orientation de carrière et de perfectionnement professionnel du personnel financier.
- Les descriptions de postes ne sont pas toutes à jour et sont axées davantage sur la classification des emplois que sur les attributions de gestion financière.

Le Ministère devrait passer en revue les descriptions de postes d'agent ayant des attributions financières et les corriger au besoin pour en dégager les fonctions et les attributions de gestion financière.

QUALITÉ DE LA COMMUNICATION DES EXIGENCES FINANCIÈRES

- Le Ministère devrait terminer son manuel financier exhaustif.

POLITIQUES ET MÉTHODES DE CONTRÔLE DES DÉPENSES

- Le Ministère devrait proposer aux organismes qui octroient des pensions d'invalidité et des allocations aux anciens combattants: de déterminer d'avance le total des mensualités; d'établir des mécanismes de contrôle de façon que les versements correspondent au total fixé au préalable; de procéder à des vérifications a posteriori cycliques.
- Les bureaux régionaux et de districts devraient entièrement documenter leurs systèmes de contrôle interne.
- La paie est décentralisée aux niveaux des districts, régions, etc., mais le Ministère n'a pas de méthodes centrales de contrôle financier. Pour apporter à la paie les modifications approuvées par la direction, les bureaux régionaux du personnel s'adressent directement au ministère des Approvisionnement et Services qui expédie les chèques aux agents financiers de district pour distribution.

Le conseiller en gestion financière du Ministère devrait passer en revue les contrôles exercés sur la paie pour voir s'ils sont adéquats.

COMMENTAIRES DU MINISTÈRE

Nous passerons en revue notre plan de formation et de perfectionnement des agents financiers.

La teneur et la présentation des descriptions de poste sont bien réglementées. Il serait préférable, avant de faire les améliorations voulues, d'en faire une étude et une analyse plus poussées à l'échelle de la fonction publique.

Nous achèverons le manuel sous peu.

Le traitement de ces paiements a été transféré aux organismes et un tel contrôle fera partie du nouvel ensemble des systèmes de contrôle.

Nous documenterons les systèmes de contrôle interne des districts et régions.

Nous admettons la nécessité de passer en revue les contrôles internes exercés sur la paie et en avons entrepris l'examen.

**CONTRÔLE DES REVENUS, COMPTES À
RECEVOIR COMPRIS**

- Les hôpitaux et les districts devraient faire parvenir régulièrement des rapports détaillés sur l'état des comptes à recevoir au bureau principal du programme des services de traitement qui les passerait en revue et leur donnerait suite.
- La partie importante des frais qui ne peut être recouvrée en raison des tarifs de la facturation du programme des services de traitement devrait être signalée dans les rapports financiers internes.

Le bureau principal du programme recevra régulièrement ces rapports à des fins de contrôle.

Les rapports internes signaleront désormais la partie des frais qui ne peuvent être recouvrés.

STOCKS

- Il n'existe aucun moyen de garantir que tous les achats d'équipement sont inscrits dans les registres de stocks.

Il faudrait vérifier avec les dépenses annuelles d'équipement le prix de tous les achats inscrits dans les registres quantitatifs de stocks.

Nous prendrons les mesures qui s'imposent.

FONDS EN FIDUCIE

- Le contrôle interne exercé sur les indemnités de traitement non versées laisse à désirer dans bien des cas.

Le Ministère devrait avoir des comptes de contrôle pour tenir compte provisoirement de ses engagements relatifs aux indemnités de traitement.

Nous prendrons les mesures qui s'imposent.

Le Ministère devrait soumettre à un examen rigoureux les listes des indemnités de traitement encourues et faire régulièrement, par échantillonnage, une vérification a posteriori des débours.

Nous prendrons les mesures qui s'imposent.

VÉRIFICATION INTERNE

- L'unité de la vérification interne manque souvent de personnel. Il est en effet difficile de recruter les employés nécessaires étant donné les nombreux voyages demandés et le manque de planification de la carrière de vérificateur interne.

OBSERVATIONS ET RECOMMANDATIONS

Un système de rotation du personnel qui s'appliquerait au service de vérification interne, devrait être instauré pour permettre de recruter des personnes d'avenir.

- La vérification interne n'englobe pas entièrement les bureaux principaux de programmes, le programme d'administration et les registres de paie du Ministère.

Le Ministère devrait soumettre à la vérification interne les dépenses qui ne sont pas actuellement vérifiées.

CLASSIFICATION DES COMPTES

- Le Ministère devrait redéfinir les activités et sous-activités des programmes de l'administration et des services de traitement, et les présenter à l'approbation du Conseil du trésor.

PRÉVISIONS DE PROGRAMME

- Prenant appui sur ses plus récents renseignements, le Ministère devrait indiquer dans ses prévisions de programme le moment où il envisage de transférer un hôpital, ce qui lui en coûtera, ce qu'il épargnera ainsi que les autres répercussions.

BUDGET PRINCIPAL DES DÉPENSES

- Le Ministère devrait s'arranger pour que la haute direction remette sérieusement en question tous les principaux éléments du budget de programme.
- Le Ministère devrait intégrer de façon formelle, la planification budgétaire dans le programme d'administration.

CONTRÔLE BUDGÉTAIRE ET PRÉVISIONS DE CAISSE

- Le Ministère devrait réviser ses budgets d'exploitation lorsqu'il y a un changement de circonstances suffisamment important.
- Les frais incontrôlables entrent dans le budget d'exploitation global des centres de responsabilité; il arrive donc que le budget d'un gestionnaire organique soit grevé ou au contraire allégé par des facteurs indépendants de sa volonté.

COMMENTAIRES DU MINISTÈRE

Grâce à notre nouveau plan de perfectionnement et de remplacement de gestionnaires, nous pourrions trouver des personnes d'avenir, tant chez les FI qu'ailleurs, et les préparer à la rotation du personnel par le biais de la vérification interne. Cependant, le gouvernement aurait de plus en plus besoin d'étudier la possibilité d'accorder des avantages aux vérificateurs tenus de beaucoup voyager.

Nous accorderons une attention particulière aux secteurs mentionnés lorsque nous planifierons la vérification à l'avenir.

Nous acceptons de le faire, à la condition que, si l'on décide de subdiviser le programme d'administration, on ne déroge pas aux usages généralement pratiqués au gouvernement.

Puisque les transferts sont imprévisibles et que nous ne devons pas prendre position avant les négociations, il n'est pas souhaitable de divulguer les détails des transferts.

Nous acceptons de le faire, et la haute direction a déjà entrepris systématiquement le travail à l'occasion des dernières prévisions de programme.

Nous avons maintenant intégré de façon formelle la planification budgétaire dans le programme d'administration.

Nous acceptons de le faire.

OBSERVATIONS ET RECOMMANDATIONS

Le Ministère devrait prévoir dans les budgets d'exploitation, des affectations séparées pour les frais incontrôlables.

- Le Ministère devrait prévoir un système de rapports de gestion financière fondé sur les résultats, afin de faire ressortir les écarts.
- Le Ministère devrait mettre à profit les techniques de mesure de rendement dans les secteurs chargés du traitement de la documentation.

RAPPORTS FINANCIERS

- Le Ministère devrait définir et documenter comme il faut le partage, entre lui-même et le ministère des Approvisionnements et Services, des attributions en matière de traitement des données.
- Les systèmes comptables et les systèmes de rapports financiers des hôpitaux du Ministère diffèrent de ceux des hôpitaux provinciaux. Cette divergence rend impossible la comparaison avec les hôpitaux provinciaux semblables et peut causer des problèmes de transition au moment où les hôpitaux du Ministère sont transférés aux provinces.

Le Ministère devrait évaluer s'il ne serait pas réalisable et avantageux d'adopter dans ses hôpitaux les systèmes comptables et les systèmes de rapports financiers des provinces.

COMMENTAIRES DU MINISTÈRE

Nous acceptons la recommandation en principe; chaque programme en étudiera l'application à tous les cas pertinents.

Nous sommes parfaitement d'accord et procédons actuellement à d'importantes études qui permettront, une fois terminées, de mettre en place le système nécessaire.

Nous acceptons la recommandation en principe, et croyons que ce serait une application possible du système de mesure du rendement de l'exploitation (S.M.R.E.).

Nous acceptons la recommandation et avons entrepris de définir et de documenter les attributions en matière de traitement des données.

Les quelques divergences qui demeurent n'ont jusqu'ici posé de problèmes ni pour les affaires courantes ni pour la réalisation des accords de transfert; nous rejetons donc la recommandation.

MINISTÈRE DES AFFAIRES EXTÉRIEURES

Observations et recommandations en date du mois de juillet 1975

Commentaires du Ministère en date du mois de septembre 1975

L'étude portait sur le programme des intérêts du Canada à l'étranger, relevant du sous-secrétaire d'État et comprenant les activités du bureau des passeports. Elle n'a pas tenu compte des dépenses de fonctionnement imputées sur le crédit suivant:

Crédit 20: Affecté au programme des expositions universelles.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

ORGANISATION

AGENT FINANCIER DÉSIGNÉ

- Le Ministre devrait désigner comme fonctionnaire supérieur des finances le sous-secrétaire adjoint aux finances et à l'administration ou le directeur général des finances et de l'administration.

Les employés du Ministère savent bien qui est responsable de conseiller la gestion, au niveau le plus élevé, en matière financière. Nous allons remédier à l'absence de description officielle attestant de la désignation de cette responsabilité par le Ministre.

RESTRUCTURATION

- Les ressources humaines sont mal réparties: de nombreuses années-hommes sont consacrées à des vérifications a posteriori détaillées d'intérêt limité, alors qu'on néglige la vérification financière interne et qu'il faudrait améliorer l'efficacité du service de soutien ainsi que l'information destinée à la gestion financière.
- Le Ministère devrait restructurer sa fonction financière afin d'obtenir une information de gestion plus significative, un service de soutien plus innovateur et de profiter pleinement des possibilités d'un contrôle financier plus efficace.

Nous nous proposons de mettre sur pied des services de vérification interne, ainsi que d'éliminer progressivement les vérifications financières détaillées effectuées actuellement avant et après les paiements.

Nous avons entrepris d'étudier tous les aspects de l'administration financière en vue de réorganiser les fonctions financières du Ministère en étroite conformité du guide d'administration financière du Conseil du trésor et de remédier aux lacunes signalées dans le présent rapport.

DIRECTION FONCTIONNELLE

- Le fonctionnaire supérieur des finances ainsi que désigné devrait veiller à ce que les politiques et directives financières soient communiquées à tous ceux qui relèvent fonctionnellement de lui.
- Les agents supérieurs des finances devraient jouer un rôle plus actif dans l'établissement des descriptions de postes et lors de l'examen du rendement du personnel financier subalterne dans tout le ministère.

Les politiques et directives financières sont communiquées dans tout le Ministère au moyen du manuel et des circulaires de gestion financière.

Le directeur de la direction des finances est consulté au sujet des descriptions de postes de tout le personnel financier, ainsi qu'au sujet de l'examen du rendement de tous les FI.

MANUELS

- Le Ministère a élaboré des manuels complets de gestion du matériel, de gestion des biens et de gestion financière, principalement à l'intention du fonctionnement des missions.
- Le manuel de gestion financière devrait être complété pour comprendre au moins:

La rédaction de certaines parties du manuel a connu des retards, et nous avons recruté un agent exclusivement pour cette tâche.

- les méthodes de comptabilité et de vérification au bureau principal
- les organigrammes
- la description de tous les systèmes financiers
- les méthodes de contrôle des revenus et des dépenses
- les méthodes de contrôle budgétaire
- les méthodes d'établissement des rapports financiers.

ORGANIGRAMMES

- Le Ministère devrait avoir un organigramme principal officiel et à jour, ainsi que des organigrammes secondaires indiquant tous les liens hiérarchiques, y compris ceux sur le plan fonctionnel.

Puisque le mode d'organisation du Ministère entraîne un nombre exceptionnel de liens fonctionnels sur le plan des exploitations comme sur celui de l'administration, nous croyons difficile de tous les représenter sur un même organigramme principal. Par contre, il est incontestable que les responsabilités en matière financière devraient être décrites adéquatement et nous prenons des mesures en ce sens.

DESCRIPTIONS DE POSTES

- Il faudrait revoir les descriptions de postes des agents chargés des responsabilités financières et, au besoin, les rédiger à nouveau pour mettre en relief les tâches et les responsabilités de la gestion financière.

Nous sommes d'accord; nous intégrerons la recommandation dans l'examen normal des descriptions de postes effectué par le sous-secrétaire d'État aux Affaires extérieures en vertu des pouvoirs délégués par la Commission de la Fonction publique.

OBSERVATIONS ET RECOMMANDATIONS

DÉLÉGATION DE POUVOIRS

- Le document de délégation de pouvoirs signé par le Ministre devrait spécifier que:
 - a) les pouvoirs délégués ne peuvent l'être à nouveau;
 - b) un suppléant ne peut exercer les pouvoirs délégués au poste qu'il détient à titre intérimaire sans autorisation écrite d'un agent dont relève le titulaire du poste;
 - c) les pouvoirs de paiement ne peuvent être exercés que lorsque le certificat exigé par l'article 27 de la Loi sur l'administration financière a été produit par une personne à laquelle des pouvoirs de dépenser suffisants auront été délégués;
 - d) les pouvoirs de dépenser et de payer ne peuvent être exercés par la même personne pour un paiement en particulier; et
 - e) les pouvoirs de payer ne peuvent être délégués à des postes de niveaux inférieurs à celui d'administrateur financier 2.

PAIE

- L'établissement des données de la paie et la mise à jour des dossiers correspondants relèvent surtout du personnel. Les agents du personnel n'ont pas l'«optique financière», et l'on est peu conscient de la nécessité d'un contrôle financier de la paie.
- Il faudrait établir et décrire les méthodes de contrôle de la paie, tant au bureau principal que dans les missions à l'étranger. L'établissement de ces mesures de contrôle et la surveillance de leur application devraient relever des agents financiers.

COMMENTAIRES DU MINISTÈRE

Bien que les points mentionnés ne figurent pas dans le document de délégation de pouvoirs, le Ministère veille à ce que ces exigences soient respectées en menant une vérification financière détaillée, sous réserve des exceptions ci-dessous:

d) il arrive parfois que les pouvoirs de dépenser et de payer soient exercés par le même haut fonctionnaire pour certains paiements de nature courante, lorsqu'un autre fonctionnaire habilité n'est pas disponible;

e) comme les pouvoirs de payer sont actuellement limités à la direction des finances, après une vérification détaillée, certains fonctionnaires expérimentés, commis aux écritures et aux règlements de niveau 6, autorisent des paiements compte tenu des plafonds financiers fixés.

L'établissement des éléments de la paie et la mise à jour des dossiers correspondants relèvent de commis à la rémunération, sous l'autorité d'un agent administratif pleinement compétent dans ce domaine. Un agent financier relevant fonctionnellement du directeur de la direction des finances contrôle le budget des traitements et des indemnités.

Il existe bien des mesures de contrôle, mais elles devraient être précisées et décrites. Les agents financiers participeront à leur description et à la surveillance de leur application.

AUTRES DÉPENSES

- Le Ministère devrait faire établir des contrôles au début du circuit des dépenses ainsi que dans la suite des opérations manuelles, mécaniques et informatiques.

Nous donnerons suite à la recommandation lorsque nous instaurerons les méthodes détaillées de contrôle des engagements qui sont en cours de formulation.

REVENU

- Il faudrait décrire les méthodes et contrôles concernant la perception et l'inscription rigoureuse de tous les revenus.

Les méthodes concernant les revenus et les autres comptes à recevoir seront décrites dans le manuel de gestion financière.

CONTRÔLE DE L'ACTIF

- Il faut contrôler matériellement la quantité, le prix et l'emplacement de tout le mobilier, les pièces fixes et l'équipement dont on doit rendre compte, en recourant au besoin à des étiquettes numérotées.
- Le Ministère devrait intégrer le système de comptes auxiliaires correspondant à la gestion de l'actif du bureau principal dans le système en vigueur pour la gestion des biens en capital à l'étranger.
- Tous les ans, le Ministère devrait concilier les acquisitions d'actifs, dont il doit rendre compte, inscrites au système auxiliaire avec les totaux des articles d'exécution du système comptable principal.

Le contrôle du matériel dans les missions est assuré par un système informatisé de gestion des stocks, complété par des dénombrements matériels, conformément au manuel de gestion du matériel. Un système analogue est mis en oeuvre au bureau principal pour le matériel mais, pour des raisons de commodité administrative, il sera distinct du système précédent.

Nous envisagerons la possibilité de concilier les acquisitions inscrites dans le système informatisé des stocks avec les dépenses totales par article d'exécution au cours de notre étude sur tous les aspects de l'administration financière.

VÉRIFICATION INTERNE

Une direction du service de l'inspection, relevant du sous-secrétaire d'État, effectue dans les missions à l'étranger des vérifications opérationnelles comportant des sondages de peu d'étendue des méthodes et systèmes financiers. Il n'existe aucune vérification interne des activités du bureau principal ni du bureau des passeports.

- L'ampleur des vérifications opérationnelles menées dans les missions à l'étranger devraient être étendues afin de porter sur plus de sujets et de permettre une vérification convenable des méthodes et systèmes financiers.

Nous élargirons cette année la portée des vérifications grâce à des années-hommes supplémentaires qui permettront de former deux équipes d'inspection de 4 personnes. En outre, nous envisageons l'opportunité d'une nouvelle extension dans le cadre de l'étude par le Ministère de tous les aspects de l'administration financière.

OBSERVATIONS ET RECOMMANDATIONS

- On devrait effectuer une vérification interne du bureau principal et du bureau des passeports.
- Le Ministère devrait former un comité de vérification, dont le rôle serait de:
 - a) revoir les rapports de vérification interne et les mesures prises à la suite de ces rapports;
 - b) approuver l'objectif de vérification de l'équipe de vérification interne.

COMMENTAIRES DU MINISTÈRE

Nous envisagerons l'établissement d'un comité de vérification dans le cadre de l'étude du Ministère de tous les aspects de l'administration financière.

CONTRÔLE BUDGÉTAIRE

PRÉVISIONS ET BUDGET PRINCIPAL DES DÉPENSES

- Toutes les décisions et les révisions de la planification devraient être mieux décrites.

Nous sommes d'avis que les décisions et les révisions de la planification sont suffisamment et étroitement contrôlées. Cependant, nous sommes d'accord que celles-ci pourraient être mieux décrites au sens officiel.

BUDGET DE L'EFFECTIF

- Jusqu'ici, le Ministère a budgété à 100% ses dépenses en années-hommes et en dollars. Les frais imprévus correspondant par exemple au temps supplémentaire et aux effectifs occasionnels ont été absorbés grâce aux «réserves» (dans le budget des traitements) accumulées vu les retards à combler des postes disponibles.

Le budget des traitements (en dollars) contenu dans le Budget principal des dépenses devrait tenir compte des délais à combler les postes disponibles. Le Ministère devrait veiller à ce que toutes les dépenses connues d'avance, comme le temps supplémentaire et l'emploi d'effectif occasionnel, soient prévues et rapportées comme un article d'exécution distinct.

Le manuel des prévisions de programme et du Budget des dépenses n'oblige pas à tenir compte, dans le budget, des délais à combler des postes disponibles. Comme le résultat net serait le même, nous jugeons plus réaliste de prévoir au budget des traitements un montant brut correspondant aux employés permanents et occasionnels plutôt que de faire des prévisions séparées. Le temps supplémentaire est en fait prévu depuis plusieurs années par un article d'exécution distinct.

MÉTHODES BUDGÉTAIRES

- Le Ministère devrait établir officiellement et décrire les politiques concernant les exigences, la préparation, la mise à l'épreuve et l'approbation des présentations budgétaires, en mentionnant notamment la nécessité d'une vérification indépendante de l'exactitude (mécanique et manuelle) des présentations et des documents à l'appui.
- Il faudrait mettre au point de meilleures méthodes d'analyse des écarts budgétaires.

Nous établirons officiellement et décrirons les politiques et méthodes concernant le budget dans le manuel de gestion financière. La vérification des présentations budgétaires sera intégrée aux méthodes permanentes.

Nous entreprendrons d'améliorer l'analyse des écarts à la faveur d'une récente réorganisation de la direction des finances.

CONTRÔLE DES ENGAGEMENTS

- Il faudrait perfectionner et décrire le système de comptabilité et de contrôle des engagements dans tout le Ministère afin d'obtenir des inscriptions précises et cohérentes aux rapports financiers.

En effet, la comptabilité et le contrôle des engagements devraient être améliorés et décrits. Nous étudions actuellement divers systèmes afin de mettre au point le plus approprié à l'exploitation du Ministère.

DOTATION EN PERSONNEL

- Le Ministère devrait faire tout son possible pour veiller à ce que la dotation en personnel de la section des prévisions soit appropriée aux hautes responsabilités mises en jeu et permette de fournir un appui efficace aux centres de responsabilité.

La dotation en personnel et la réorganisation de la section des prévisions seront l'un des principaux points envisagés lors de l'étude par le Ministère de tous les aspects de l'administration financière.

RAPPORTS FINANCIERS

- Le Ministère a recours aux services du ministère des Approvisionnements et Services (M.A.S.) pour ses rapports financiers, mais il maintient néanmoins son propre système de comptabilité pour le contrôle des affectations.
- La conciliation des renseignements financiers produits par le système de comptabilité du Ministère et ceux émanant du M.A.S. devrait être revue et parafée par un agent supérieur des finances.
- Le Ministère devrait étudier et mettre au point des façons d'améliorer le système de rapports financiers, de préférence par l'intermédiaire du M.A.S., plus particulièrement dans les domaines suivants:

- a) utilisation des années-hommes;
- b) comptabilité précise des engagements; et
- c) comptabilité d'exercice au besoin.

Le M.A.S. nous fournit un service de rapports budgétaires et de trésorerie, qui tient des registres distincts de caisse et d'affectation pour fins de contrôle et de conciliation.

À l'avenir, les conciliations des registres comptables du Ministère et du M.A.S. seront revues et signées par des agents supérieurs de la direction des finances.

Nous envisagerons la possibilité de donner suite à cette recommandation lors de l'étude en cours sur tous les aspects de l'administration financière.

OBSERVATIONS ET RECOMMANDATIONS

- Le Ministère devrait échanger des données d'entrées sur les dépenses avec le M.A.S. en « langage-machine » et devrait continuer d'étudier les possibilités de réduire tout double emploi dans l'établissement des données et des rapports financiers.

BUREAU DES PASSEPORTS

- Il faudrait compléter le manuel des pratiques courantes en y incluant toutes les modalités de contrôle des revenus et des dépenses.
- Il faudrait étudier la possibilité d'intégrer le système ministériel en ce qu'il s'applique au bureau des passeports et le système comptable de ce dernier dans le système du M.A.S.

COMMENTAIRES DU MINISTÈRE

Nous étudions actuellement, en collaboration avec le M.A.S., un projet pilote consistant à fournir des données d'entrées sur cassettes.

Les méthodes de contrôle existent sous forme de directives et sont suivies en pratique. Le manuel des pratiques courantes sert principalement à décrire la marche à suivre par le personnel du bureau des passeports pour examiner les demandes et délivrer les passeports. Certains chapitres traitent des services de soutien comme le personnel, les finances et l'administration; nous nous proposons de compléter ces chapitres dès que possible.

Nous envisagerons la possibilité de donner suite à cette recommandation lors de l'étude par le Ministère de tous les aspects de l'administration financière.

DÉPARTEMENT D'ÉTAT CHARGÉ DES AFFAIRES URBAINES

Observations et recommandations en date du 19 décembre 1974

Commentaires du Département en date du 30 juin 1975

Cette étude a porté uniquement sur le département d'État chargé des Affaires urbaines, relativement aux crédits 1 et 5, et non sur la Société centrale d'hypothèques et de logement et sur la Commission de la Capitale nationale, qui sont des organismes séparés.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU DÉPARTEMENT

ORGANISATION DU SERVICE DES FINANCES ET DE LA COMPTABILITÉ

Étant donné la structure et l'importance actuelle du Département, de même que la nature des activités présentes, l'utilité pratique d'un service centralisé de finances ne fait aucun doute, car il permet d'assurer l'efficacité et le rendement de la gestion et du contrôle financiers des opérations du Département.

Cette organisation a cependant été moins efficace que prévu par suite du manque de concertation et de coordination entre les divers membres du Département quant à la gestion et au contrôle financiers. Les directions générales et les sections administratives semblent faire abstraction de certaines attributions et exigences déterminées, sans considération des besoins et de la collaboration d'autres sections. Les diverses unités choisissent et appliquent chacune de son côté les mesures qui leur semblent s'imposer en matière de systèmes de gestion et de contrôle financiers. Cela pourrait occasionner des inconséquences et des lacunes dans le contrôle interne, sans parler du double emploi des fonctions.

Chaque direction générale du Département devrait désigner une personne au niveau de la gestion possédant les qualités voulues comme son représentant financier.

- Il conviendrait de former un comité comprenant le directeur du personnel, des finances et de l'administration, ses trois agents en chef et les représentants financiers des deux directions générales pour traiter des questions administratives et financières rattachées au fonctionnement des directions générales.

En raison de leur centralisation, les services financiers entrent souvent en rapport avec les directions générales afin de connaître leurs exigences et les conseiller sur tous les aspects de la gestion et du contrôle financiers.

D'accord. La fonction existe déjà dans certains cas et va devenir officielle et obligatoire.

D'accord. Mais le comité ne peut se limiter aux deux directions générales, car il faut également tenir compte des directions indépendantes.

DESCRIPTIONS DE POSTE

- Il convient de mettre à jour les descriptions de poste des employés qui exercent des fonctions d'ordre financier et qui ne relèvent pas de la division des finances, et il y aurait lieu de revoir les descriptions régulièrement par la suite en mettant davantage l'accent sur les aspects financiers des postes.

Entendu. Nous tiendrons compte de cette recommandation lorsque se fera, au cours des douze prochains mois, la révision du classement des postes dans les diverses directions.

**COMMUNICATIONS DES EXIGENCES
FINANCIÈRES**

- Dans le système actuel, une grande partie des renseignements et connaissances essentiels à son fonctionnement reste l'apanage de quelques uns, sans être décrits suffisamment ou transmis comme il convient. Il s'ensuit que les employés ne connaissent pas ou ne comprennent pas toujours comme il le faut leurs attributions, que les méthodes approuvées ne sont peut-être pas toujours appliquées de la même manière, qu'on ne tient parfois pas suffisamment compte des exigences financières, et que la planification n'est pas toujours systématique et bien organisée.

Le chef des finances devrait s'occuper de faire mettre au point un manuel d'administration financière et de le faire distribuer aux membres intéressés du personnel du Département.

D'accord. L'ébauche du manuel en question est en cours d'achèvement et il sera publié dans les meilleurs délais.

Il y aurait lieu de se servir davantage de notes de service précises, en veillant à ce que celles-ci soient dûment acheminées et signées et qu'on leur donne la suite voulue.

Cette recommandation sera étudiée.

**RÉPARTITION DES POUVOIRS
FINANCIERS EN VERTU DE LA LOI SUR
L'ADMINISTRATION FINANCIÈRE**

- Il conviendrait de modifier les documents comptables qu'utilise le Département afin d'y réserver un espace où on indiquerait l'article de la Loi sur l'administration financière aux termes duquel l'autorisation est donnée.

C'est le ministère des Approvisionnement et Services qui conçoit les formules de demande de chèque. L'approbation du paiement des factures se fait toujours en conformité de l'article 27 de la Loi sur l'administration financière. L'emploi à cette fin d'un cachet ne semble pas aller à l'encontre des lignes directrices du Conseil du trésor.

Le directeur du personnel, des finances et de l'administration devrait veiller à ce que les cartes de spécimen de signature du Département soient à jour et que le ministère des Approvisionnements et Services soit informé de tout changement.

Cela a été fait.

**CONTRÔLE DES DOCUMENTS
ORIGINAUX**

- Parce que les originaux des demandes de chèque ne sont contrôlés qu'après avoir été approuvés en vertu de l'article 27 de la Loi sur l'administration financière, il se peut que des factures s'égarent, que le paiement des fournisseurs accuse des retards et que les rapports financiers soient faussés.

Il y aurait donc lieu de consigner pour contrôle sur un brouillard les documents originaux provenant des fournisseurs avant de faire les demandes de chèque.

D'accord. Il est souhaitable d'adopter le système proposé dans les cas où les effectifs le permettent.

SÉPARATION DES TÂCHES

- On a relevé des cas où des erreurs ou fraudes auraient pu passer inaperçues en raison du cumul des tâches remplies par un employé et du fait que le travail de celui-ci n'était pas automatiquement vérifié par un autre employé.

Le directeur du personnel, des finances et de l'administration devrait s'assurer que le mode de répartition des tâches répond aux besoins du contrôle interne pour tous les postes du Département.

Lors de l'établissement des systèmes, le maximum a été fait pour répartir les tâches entre les membres du personnel disponible en tenant compte des principes fondamentaux du contrôle interne. Toutefois, on corrigera les lacunes qui subsistent.

**CONTRÔLE DES AVANCES ET DES
COMPTES À RECEVOIR**

- Il arrive, bien que peu fréquemment, que la comptabilité des comptes à recevoir pose des problèmes, en raison surtout du fait que les services financiers et la section du personnel n'ont pas de méthode conjointe de surveillance sur les avances de traitement et sur les marchés de services personnels.

Il conviendrait que le chef des finances veille à ce qu'on revoie les marchés et les ententes en vue du recouvrement éventuel de dépenses.

Les problèmes de communication qui existent entre les divisions des finances et du personnel résultent de la séparation de ces deux services; ils seront résolus à la suite de notre installation dans nos nouveaux locaux en septembre 1975.

La division des finances confronte toutes les factures certifiées avec les marchés y afférents. Les paiements ne sont effectués que s'ils sont en conformité avec les modalités de ces marchés. L'incident relevé par l'équipe d'étude constitue un cas isolé, qui ne reflète pas la réalité habituelle.

VÉRIFICATION INTERNE

- Il conviendrait que le Bureau des services de vérification effectue une vérification interne annuelle du Département. Ce Bureau devrait définir, en accord avec le directeur du personnel, des finances et de l'administration et le chef des finances, l'étendue de sa vérification; mais c'est au secrétaire du Département qu'il devrait remettre ses conclusions et recommandations pour étude, discussion et décision finale.

Nous allons étudier davantage cette recommandation.

PROGRAMME DE TRAVAIL

- Les dernières prévisions de programme ne donnent pas d'indications précises sur l'affectation et l'utilisation future des ressources. Le personnel de la division des finances aide les gestionnaires à établir leurs prévisions, mais ceux-ci ne disposent pas des connaissances, du personnel de soutien, des guides et autres publications du gouvernement, des instructions départementales et des données historiques détaillées nécessaires pour dresser des projets valables à long terme sur le plan financier. De plus, le Département n'a pas de méthode officielle pour évaluer des projets, remanier les ordres de priorité ou redistribuer les ressources.
- S'étant rendu compte de la situation au début de 1974, le Département a entrepris, comme première étape dans la préparation de la description de ses plans de programmes de travail à long terme et de leurs priorités, d'établir le degré d'importance de ses principaux projets qu'ils soient déjà en cours d'exécution ou proposés, et de déterminer pour chacun d'entre eux les ressources en effectifs et les échéances respectives.
- Il conviendrait de donner la priorité à la mise au point, la description et l'instauration du programme de travail du Département.

Il y aurait lieu d'approfondir cette recommandation. Il serait peut-être souhaitable de contrôler l'efficacité des programmes, mais cette tâche s'avérerait extrêmement difficile dans le cas de la plupart des projets entrepris par ce Département.

Convenu. Ce travail est en cours.

CONTRÔLE BUDGÉTAIRE

- Le système actuel rend compte des dépenses au niveau des activités principales, mais non des coûts qui s'inscrivent au niveau des projets ou des sous-activités. Il y aurait donc lieu de le perfectionner de façon qu'il produise des données suffisamment détaillées pour permettre un contrôle budgétaire efficace.

OBSERVATIONS ET RECOMMANDATIONS

- Le chef des finances devrait mettre au point, décrire et appliquer un système qui permette de recueillir des données financières sur les coûts au niveau des projets ou des sous-activités.
- Il conviendrait que tous les gestionnaires des centres de responsabilité prennent directement part à l'établissement de leur budget. Il faudrait également qu'ils disposent des données financières nécessaires pour pouvoir vérifier les rapports financiers, et rédiger des rapports détaillés sur les écarts ainsi que des rapports analytiques.
- Tous les gestionnaires de centres de responsabilité devraient rédiger en temps opportun des rapports périodiques explicatifs sur les écarts, que le chef des finances examinerait dans le cadre de l'étude de son rapport financier.

CODAGE DES DONNÉES RELIÉES AUX OPÉRATIONS

- Le processus centralisé de codage ne parvient pas à sensibiliser les sections non financières du Département à l'aspect financier des opérations et accroît inutilement leur dépendance à l'égard de la section des services financiers. Les sections non financières devraient développer leurs connaissances en matière de finance et assumer des responsabilités supplémentaires dans ce domaine. Il y aurait donc lieu de répartir le codage des documents entre les divers centres de coûts et de responsabilité du Département.
- Il serait bon que les employés des divers centres de responsabilité soient tenus de réviser une fois par mois la liste détaillée des opérations qui se rattachent à leur domaine particulier de responsabilité.

COMMENTAIRES DU DÉPARTEMENT

Il a déjà été recommandé dans le passé de déclarer les comptes au niveau des projets. Cependant, l'établissement de rapports à ce niveau exigerait l'instauration d'un système qui permette de rendre compte de l'emploi du temps des employés intéressés, et aucun système du genre ne s'est avéré acceptable jusqu'à maintenant. Il faudra obtenir l'aide des gestionnaires intéressés pour l'élaboration d'un tel système. Il s'agit là d'un objectif souhaitable, à la réalisation duquel on travaillera dès que le personnel requis sera disponible.

La plupart des gestionnaires des centres de responsabilité participent déjà directement à l'établissement de leur budget, dans les limites que leur imposent le gouvernement et le Département. Ils reçoivent déjà les données financières dont ils ont besoin pour vérifier les rapports financiers. Mais il arrive souvent que faute de personnel, ils ne peuvent effectuer des vérifications plus poussées.

On a pris note de cette recommandation. Voir ce qui précède.

Nous en convenons. C'est ce à quoi visait le manuel de codage, et des mesures seront prises pour initier le personnel de soutien de chaque centre de responsabilité à l'emploi de ce manuel.

Là encore, c'est une question de disponibilité des effectifs.

BUDGET PRINCIPAL DES DÉPENSES

- Les opérations de compilation et de conciliation ayant trait aux prévisions de programme et au budget principal des dépenses, devraient être décrites afin de faire apparaître plus clairement dans chaque cas le processus menant à la fixation des chiffres définitifs.

Entendu, nous appliquerons cette recommandation.

**SYSTÈME DE RAPPORTS DU MINISTÈRE
DES APPROVISIONNEMENTS ET
SERVICES**

- La section des services financiers du Département devrait veiller à ce qu'on inscrive les opérations financières aussitôt que possible dans les registres financiers du Département afin que les données financières fournies chaque mois aux gestionnaires des centres de responsabilité soient plus précises.
- Le chef des finances devrait instituer et décrire des méthodes adéquates qui permettent à son personnel d'effectuer en temps voulu les opérations qui s'imposent en fin de mois en ce qui concerne la conciliation des données d'entrées et de sorties, à la concordance des registres auxiliaires, à la concordance entre chacun des rapports du ministère des Approvisionnement et Services, à la révision et la rectification des montants non valides, et à l'examen des codes utilisés lors de l'enregistrement des opérations en vue de s'assurer qu'ils correspondent aux faits actuels connus.
- En vue d'améliorer les services reçus du ministère des Approvisionnements et Services, le Département devrait nommer un agent de liaison chargé de traiter avec son homologue du M.A.S.

D'accord. Le Département prend actuellement des dispositions pour améliorer le traitement des données se rapportant aux opérations financières.

Nous sommes d'accord. Cela sera fait.

C'est le chef des services financiers qui a jusqu'ici assuré la liaison avec le ministère des Approvisionnements et Services. On s'est efforcé autant que possible d'obtenir une amélioration au service fourni par ce ministère et on continuera de le faire.

AGENCE CANADIENNE DE DÉVELOPPEMENT INTERNATIONAL

Observations et recommandations en date du mois de mars 1975

Commentaires de l'Agence en date du mois de juillet 1975

L'étude a été effectuée sur les fonctions financières de tous les secteurs de l'Agence canadienne de développement international (A.C.D.I.), y compris l'administration de l'Agence et l'administration des activités relatives à l'assistance, mais à l'exclusion d'une étude sur les méthodes d'évaluation des projets.

OBSERVATIONS ET RECOMMANDATIONS

ORGANISATION DE LA FONCTION FINANCIÈRE

- Le vice-président, administration, est responsable de la gestion interne de l'Agence. En tant que fonctionnaire supérieur des finances, son titre devrait être modifié à celui de vice-président, finances et administration. Afin de ne permettre aucune équivoque, ses attributions financières, ainsi que décrites dans les lignes directrices du Conseil du trésor, devraient être clairement exposées dans la description de son poste. En outre, il devrait posséder des attributs solides dans le domaine financier.
- Il devrait y avoir un directeur général des finances, possédant une solide formation et une bonne expérience financières; il pourrait ainsi être responsable de façon efficace de la gestion et des rapports financiers et il relèverait du vice-président, finances et administration.

ORIENTATION FONCTIONNELLE

La direction des finances joue un rôle actif en ce qui concerne les affaires administratives de l'Agence mais ne participe pas aux décisions comportant des répercussions financières sur l'élaboration des activités relatives à l'assistance.

COMMENTAIRES DE L'AGENCE

Le titre du vice-président, administration, a été changé à celui de vice-président, finances et administration. Le titulaire récemment nommé à ce poste est un comptable agréé et il détient en plus le titre de bachelier en commerce. La description de son poste et les pouvoirs qui lui sont attribués sont définis en conformité avec les lignes directrices du Conseil du trésor.

Le bureau des conseillers en gestion du ministère des Approvisionnements et Services effectue actuellement une étude de l'organisation de la direction des finances et cette recommandation sera réexaminée à la lumière du rapport du bureau. Le directeur actuel des finances possède la formation et l'expérience nécessaires.

OBSERVATIONS ET RECOMMANDATIONS

- Les agents financiers devraient fournir aux gestionnaires d'exécution un solide appui fonctionnel. Ils devraient pleinement participer aux décisions qui comportent des répercussions financières et travailler en étroite collaboration avec les gestionnaires des centres de responsabilité à l'élaboration des plans financiers et à l'analyse des rapports financiers.

Les responsabilités financières et les liens fonctionnels entre la direction des finances et les gestionnaires des centres de responsabilité devraient être clairement définis et documentés.

MANUEL FINANCIER

Les politiques financières de l'Agence et ses méthodes comptables sont exposées dans le manuel financier publié en 1971. On n'y trouve que des principes et des lignes directrices d'ordre général; ce manuel ne donne aucune méthode précise quant aux méthodes à suivre.

- Le manuel financier devrait inclure des méthodes précises et déterminer le personnel responsable dans le cas de chacune. On devrait confier à un employé la responsabilité de contrôler les modifications et de tenir le manuel à jour.

DESCRIPTIONS DE POSTE

- Les responsabilités financières, ainsi qu'exposées dans les lignes directrices du Conseil du trésor, devraient être clairement décrites dans les descriptions de tâche de tous les postes de gestion et devraient être mises à jour à intervalles réguliers.

COMMENTAIRES DE L'AGENCE

Nous sommes d'accord. Nous prendrons des mesures en vue de permettre aux agents financiers de participer, plus que dans le passé, aux décisions comportant des répercussions financières et de travailler, en plus étroite collaboration, avec les gestionnaires dans la préparation des plans et l'analyse des rapports financiers.

Nous sommes d'accord. Le bureau des conseillers en gestion effectue actuellement une étude sur les relations entre la direction des finances et les gestionnaires organiques, et sur la meilleure façon d'organiser et de définir cette direction afin que sa structure et ses fonctions puissent répondre le mieux possible aux exigences de l'Agence.

Le nouveau manuel des méthodes financières est maintenant terminé et le directeur des finances a la responsabilité de le tenir à jour.

Ceci sera accompli.

PERSONNEL DES SERVICES FINANCIERS

- Le groupe des services financiers devrait améliorer sa contribution à la gestion de l'A.C.D.I. en utilisant des systèmes comptables plus efficaces, de façon à produire en temps opportun des rapports qui indiquent et contrôlent le rendement, conjointement avec une participation au processus de prise de décision de la gestion et aux études portant sur la valeur reçue en contrepartie de l'argent dépensé et du souci de l'importance des sommes en cause. Pour atteindre ce résultat, il sera nécessaire de continuer à améliorer le personnel actuel par la formation et l'enseignement en lui adjoignant une plus grande proportion d'employés professionnellement compétents à mesure que des postes deviendront vacants.

On devrait instituer et documenter un programme complet d'orientation au point de vue carrière, comportant, dans le cas du personnel financier, des cours de perfectionnement professionnel.

DÉLÉGATION DE POUVOIRS

- Le pouvoir de payer, en vertu de l'article 26 de la Loi sur l'administration financière, ne devrait pas être délégué à un employé d'un niveau inférieur à FI-2 et devrait être traité distinctement du pouvoir de dépenser en vertu de l'article 27 de la Loi sur l'administration financière. Cela doit être prouvé par deux signatures distinctes sur la documentation à l'appui.
- Aucun agent, occupant un poste à titre intérimaire, ne devrait être autorisé à exercer le pouvoir de signer conféré à ce poste, à moins d'avoir été dûment désigné par écrit par un fonctionnaire dont relève le titulaire du poste.
- La délégation de pouvoirs devrait être rapidement diffusée et les cartes de spécimen de signature devraient être transmises aux intéressés, y compris le ministère des Approvisionnements et Services. Les cartes de spécimen de signature doivent mentionner le montant, le genre et les détails du pouvoir accordé. Ces cartes doivent être examinées régulièrement.

L'A.C.D.I. continuera sa politique, qui consiste à promouvoir son personnel actuel en lui prodiguant formation et enseignement et à recruter du personnel compétent sur le plan professionnel.

L'A.C.D.I. avait un programme de formation et de perfectionnement professionnel à l'intention de son personnel. Ce programme sera documenté.

Le pouvoir de payer, en vertu de l'article 26, a été délégué, sauf en de rares occasions, distinctement du pouvoir de dépenser en vertu de l'article 27, conformément aux recommandations du Conseil du trésor. Si un agent a reçu la délégation de pouvoirs dans les deux cas, il ne doit pas certifier en utilisant simultanément l'un et l'autre pouvoir. Les documents à l'appui seront révisés et modifiés, au besoin, en vue d'assurer la preuve visuelle de l'exercice distinct des pouvoirs. La question de la délégation du pouvoir de payer aux agents d'un niveau inférieur à FI-2 sera revue.

Accompli.

Cette méthode a été adoptée depuis le 11 février 1975. On a obtenu les spécimens de signature, mentionnant la description détaillée des pouvoirs conférés aux personnes qui occupent un poste à titre intérimaire ou qui sont chargées des fonctions d'un poste à titre intérimaire et ces spécimens sont revus régulièrement.

PAIE

Les chèques de paie sont distribués aux employés par la direction du Personnel qui est également responsable des données d'entrées au système de paie. Dans certains cas les traitements de fonctionnaires affectés à un poste ont été imputés à un autre.

- En vue d'assurer un contrôle plus efficace, la direction des finances devrait être responsable de distribuer directement aux employés les chèques de paie; elle devrait aussi surveiller toutes les mutations internes du personnel. On devrait donner à la direction des finances la responsabilité de mettre en vigueur un système de contrôle du temps pour assurer que le coût des salaires est attribué aux centres de responsabilité appropriés.

VÉRIFICATION A PRIORI

Contrairement aux lignes directrices du Conseil du trésor, le pouvoir de payer, accordé en vertu de l'article 26 de la Loi sur l'administration financière, est exercé avant que ne soit établi le contrôle par lot et l'on ne procède à aucune vérification a posteriori.

- Il conviendrait que le contrôle par lot soit établi avant que le pouvoir de payer soit exercé en vertu de l'article 26.

CONTRÔLE DES STOCKS

- La responsabilité d'exercer un contrôle des stocks d'équipement devrait être confiée à un employé permanent. Il devrait être en mesure d'identifier chaque pièce d'équipement, avec une étiquette pré-numérotée, au moins en ce qui concerne l'équipement ne portant pas de numéro de série. Il devrait aussi pouvoir identifier la garde d'équipement par centre de responsabilité.

Le bureau des conseillers en gestion du ministère des Approvisionnements et Services examinera la question lorsqu'il étudiera l'organisation et les fonctions de la direction des finances.

Selon la méthode actuelle de contrôle par lot, chaque demande dans le lot a été dûment vérifiée et certifiée, suivant les prescriptions de l'article 26; au moment où la feuille de couverture, sur laquelle le montant global est inscrit, est préparée et signée, chaque demande à l'intérieur du lot est vérifiée et reportée aux registres. À notre avis, la mise en vigueur de la recommandation ne permettrait pas un meilleur contrôle. En outre, les frais qu'entraînerait son application surpasseraient, à notre avis, les avantages qu'on pourrait en retirer.

Nous sommes d'accord. Le bureau des conseillers en gestion du ministère des Approvisionnements et Services effectue actuellement une étude sur les méthodes de contrôle des stocks et des magasins.

OBSERVATIONS ET RECOMMANDATIONS

- Un dénombrement indépendant des stocks dont on devrait comparer les résultats avec les soldes figurant aux registres, devrait avoir lieu à intervalles réguliers.

RETENUES DES ENTREPRENEURS

- Les méthodes concernant les contrôles comptables relatifs aux retenues des entrepreneurs devraient être documentées.
- Une liste mensuelle de chaque solde devrait être publiée par la section de la comptabilité et contrôles financiers par ordinateur et être ensuite conciliée avec le compte de contrôle.

PAIEMENTS ANTICIPÉS

- L'A.C.D.I. ne devrait pas permettre l'inclusion d'articles relatifs aux paiements anticipés dans les accords de prêts conclus avec des pays emprunteurs.

PERTINENCE DES ACCORDS CONTRACTUELS

- Tous les accords de prêt et les contrats devraient être approuvés par les conseillers juridiques avant d'être signés.

AVANCES COMPTABLES

- Le ministère des Affaires extérieures devrait maintenir ses attributions quant au contrôle et à la perception des avances consenties aux employés de l'A.C.D.I. travaillant à l'extérieur du Canada, plutôt que de laisser à l'A.C.D.I. cette responsabilité.

AVANCES DE VOYAGE

- L'agent financier en chef devrait examiner régulièrement l'état de toutes les avances non acquittées.

COMMENTAIRES DE L'AGENCE

Nous sommes d'accord. (Voir ci-dessus.)

Nous sommes d'accord. Ces méthodes seront documentées dans le manuel financier.

C'est ainsi que nous procédons.

Les prêts de développement appartiennent sur le plan juridique à l'emprunteur. Les contrats d'achat stipulent les conditions de paiement. Malgré tous les efforts pour réduire au strict minimum les avances de fonds, des occasions se présenteront, de temps à autre, où des paiements anticipés devront, pour de bonnes et valables considérations, être consentis.

Nous sommes d'accord en principe. Cette méthode a été étudiée au cours des derniers mois par le ministère de la Justice. Des formules normalisées d'accords et de contrats seront élaborées. D'autres seront approuvées par le conseil juridique.

Nous sommes d'accord. Des pourparlers sont en cours avec le directeur des finances du ministère des Affaires extérieures à ce sujet.

Nous sommes d'accord. C'est ainsi que nous procédons maintenant.

PRÊTS ET FRAIS À RECOUVRER

Capital

- L'A.C.D.I. devrait inscrire sur une carte de registre auxiliaire tous les renseignements se rapportant à chaque convention de prêt signée, y compris les conditions et toutes les transactions s'y rapportant (frais, débours qui constituent le capital, et les sommes remboursées par le débiteur). Le registre auxiliaire devrait être concilié avec le compte de contrôle de façon régulière.

On a élaboré un système pour utiliser ces cartes de registre auxiliaire qui sont conciliées avec le compte de contrôle de façon régulière.

Frais

- L'A.C.D.I. devrait établir des comptes de contrôle pour divers frais à recouvrer afin de s'assurer que les renseignements au sujet de chaque convention de prêt sont complets et exacts et en vue également de déterminer à n'importe quel moment le montant exact de la dette de chaque débiteur.

Nous sommes d'accord et nous agissons ainsi.

Vérification

- Les méthodes de rappel devraient être documentées et des preuves devraient être disponibles pour s'assurer que chaque débiteur est périodiquement informé du montant qu'il doit, y compris les intérêts courus ou les frais à recouvrer, ou les deux, et que ces montants devront être perçus.

Les débiteurs qui se sont engagés, en vertu des accords de prêt, à payer le capital ou les intérêts ou les deux sont informés, semestriellement, lorsque ces paiements deviennent dus aux termes de l'accord général de prêt, de la situation de leur prêt et des montants qu'ils doivent au Canada. Si l'A.C.D.I. n'a pas reçu le paiement dans les 30 jours qui suivent, de nouveaux rappels sont envoyés au débiteur par l'intermédiaire de la mission diplomatique du Canada auprès du pays emprunteur. Cet avis sera modifié pour fournir la possibilité d'obtenir une confirmation expresse du montant dû par le débiteur.

VÉRIFICATION INTERNE

- Une unité de vérification interne devrait être constituée ou une vérification interne effectuée par un organisme extérieur, par exemple le bureau des services de vérification du ministère des Approvisionnements et Services. Le vérificateur en chef de la vérification financière interne devrait relever d'un haut fonctionnaire de l'Agence qui, à son tour, devrait être président d'un comité de vérification composé d'autres fonctionnaires supérieurs munis des pouvoirs nécessaires dans les secteurs concernés pour assurer un examen adéquat et une suite efficace aux constatations et recommandations de la vérification.

Nous sommes d'accord. Le 3 mars 1975, l'A.C.-D.I. a pris des dispositions contractuelles avec le bureau des services de vérification du ministère des Approvisionnements et Services en vue d'entreprendre, selon les règles prescrites par le Conseil du trésor, une vérification financière interne. Une commission de vérification sera établie.

**VÉRIFICATION OPÉRATIONNELLE SUR
PLACE**

- En ce qui concerne l'utilisation ou la répartition de l'aide du Canada, on devrait exécuter une vérification opérationnelle sur place chaque fois que cela est possible et un rapport devrait être présenté pour confirmer que la politique et les contrôles mis en oeuvre par les pays en voie de développement sont ceux qui ont préalablement fait l'objet d'un accord et sont acceptables à l'A.C.D.I.
- En vue de compléter la vérification a posteriori des paiements sur contrat, faite par le bureau des services de vérification du ministère des Approvisionnements et Services, un examen indépendant sur place devrait se faire dans les pays en voie de développement dans le but de s'assurer que les dispositions contractuelles ont été remplies. Ces fonctions peuvent être exécutées de façon interne ou en ayant recours par voie de mandat à un organisme extérieur et le rapport présenté au comité de direction.

Nous sommes d'accord. L'A.C.D.I. possède une direction de vérification opérationnelle qui est chargée d'accomplir ces vérifications. Le nombre des vérifications sur place a été plutôt limité dans le passé. On n'épargnera aucun effort, cependant, pour augmenter dans les limites permises par le budget les possibilités de la direction de la vérification.

Ce genre d'examen est accompli jusqu'à un certain point par la direction de l'examen des opérations et par les organismes extérieurs sous contrats. La méthode de révision par le comité de direction est en voie d'être établie.

**STRUCTURE DU PROGRAMME ET DES
ACTIVITÉS**

La structure des activités semble servir principalement les fins du Conseil du trésor en matière de négociation de fonds et celles du Cabinet touchant la répartition des fonds par pays, par prêt et par aide alimentaire. Les activités identifiées ne facilitent pas l'affectation des ressources de l'Agence, car elles ne correspondent pas de façon évidente avec l'objectif principal et les sous-objectifs du programme. La structure, sauf dans le cas de la gestion de l'Agence, est davantage reliée aux modalités d'aide au développement, alors que l'objectif stipule des genres particuliers d'aide tel l'aide d'ordre social et économique.

OBSERVATIONS ET RECOMMANDATIONS

- Il faudrait redéfinir les activités de façon à ce qu'elles correspondent davantage aux objectifs déclarés du programme. Les dépenses administratives indirectement reliées aux activités d'assistance doivent être considérées comme une activité distincte. Le cas échéant, il convient de rattacher les sous-activités aux projets de base dont les coûts seront déterminés avec précision de sorte que les ressources allouées aux projets puissent être mesurées en terme d'efficacité et de contrôle budgétaire par rapport aux résultats.

La subvention accordée au centre de recherches pour le développement international ne figure dans les prévisions budgétaires de l'Agence qu'en tant que moyen, pour le Parlement, de prévoir des fonds aux fins de cette société distincte. Le budget principal des dépenses pour 1974-1975 indique une subvention de \$19 millions pour le centre.

- Étant une entité distincte, le centre de recherches pour le développement international ne devrait pas être assimilé à l'une des activités de l'A.C.D.I. et ne devrait pas être considéré comme telle dans son budget principal des dépenses.

PRÉVISIONS DE PROGRAMME ET DU BUDGET

Les projets qui relèvent des programmes reliés aux divers pays sont revus annuellement par certains groupes d'exécution de la direction générale des programmes bilatéraux, soit la plus importante des directions d'exécution, mais les groupes en question n'effectuent pas leur revue à l'occasion de l'établissement des prévisions annuelles de programme. Il s'ensuit qu'il n'existe aucune base de renseignements permettant de garantir que les prévisions respectent les ordres de priorité administratifs.

- Il conviendrait d'intégrer la planification et la sélection des projets à l'occasion de la budgétisation et de documenter les procédés afin que les données dont on dispose soient complètes, précises et uniformes.

COMMENTAIRES DE L'AGENCE

Nous avons étudié cette question à l'occasion de l'établissement de nos prévisions de programme pour 1976-1977, et l'on est en train d'apporter des changements à la structure des activités. L'approbation des changements en question fait l'objet d'une demande qui doit être présentée au Conseil du trésor. Si les changements sont approuvés par le Conseil, le budget principal des dépenses pour 1976-1977 fera apparaître les activités redéfinies.

Cette recommandation est actuellement à l'étude. C'est une question qui préoccupe l'A.C.D.I. depuis un certain temps déjà.

On étudie actuellement le cycle et les procédés de budgétisation en vue d'intégrer dans une plus grande mesure la revue des programmes rattachés aux divers pays de même que les autres activités de planification dans le cadre de l'établissement des prévisions de programme que l'Agence présente au Conseil du trésor.

OBSERVATIONS ET RECOMMANDATIONS

- La budgétisation doit être soumise à la direction centrale et au contrôle d'un comité du budget composé de la haute direction. Il y a lieu de fusionner les travaux complexes d'établissement des prévisions administratives et de celles qui ont trait à l'assistance afin que le personnel de la planification et les autres éléments de soutien administratif soient directement engagés dans la planification proprement dite.
- Il faudrait communiquer par écrit les ordres de priorité administratifs à chacun des niveaux organiques responsables des données budgétaires.

Voir ci-dessus.

Voir ci-dessus.

MESURE DU RENDEMENT

- Afin de hâter la mise en application d'un système de mesure du rendement de l'exploitation dans tous les cas où les circonstances le permettent, les diverses directions de l'Agence se doivent de suivre l'exemple de la direction des finances, qui a fait le nécessaire pour ouvrir la voie à la mise sur pied d'un tel système.

Accepté

ANALYSE DES ÉCARTS

- Il y a lieu d'établir et de documenter un système convenable de compte rendu des écarts selon les termes du chapitre VI du Guide d'administration financière du Conseil du trésor; il s'agira d'un système qui permettra d'analyser les écarts entre les coûts prévus et les coûts réels en vue d'apporter des mesures correctives.

Accepté en principe. Il reste toutefois à déterminer dans quelle mesure il est possible d'élaborer pour l'A.C.D.I. un système efficace de compte rendu des écarts.

BUDGET PRINCIPAL DES DÉPENSES

Contrairement à ce qui est le cas pour d'autres ministères du gouvernement canadien, la partie non dépensée du crédit de l'Agence, relative à l'aide alimentaire, aux prêts et au compte spécial, ne devient pas périmée. Cependant, les montants non dépensés du crédit relatif au fonctionnement de l'Agence deviennent tous périmés.

- Il faudrait que l'Agence change la présentation et le contenu de son budget principal des dépenses de façon à ce que toutes les dépenses qu'elle projette pour la prochaine année financière y soient intégralement indiquées. Ce document devrait montrer clairement si on subviendra aux dépenses prévues à l'aide des crédits courants ou des sommes non dépensées de crédits provenant d'années antérieures.

Nous étudions actuellement cette question de concert avec le secrétariat du Conseil du trésor. En attendant, nous avons soumis un document à cet effet aux membres du Parlement en égard au budget principal des dépenses pour 1975-1976.

OBSERVATIONS ET RECOMMANDATIONS

L'A.C.D.I. a conclu une entente avec une banque de développement international en vue de la perception et du réinvestissement des remboursements de capital et d'intérêts sur les prêts originalement consentis par l'Agence à des pays en particulier.

- Le budget principal des dépenses doit faire état des cas où seront réinvesties les sommes de capital et d'intérêts remboursées par chaque pays à l'Agence sur les prêts que celle-ci leur a consentis.
- Il faudrait que le libellé du crédit parlementaire accordé aux fins de l'aide au développement définisse les pouvoirs et les limites en matière d'engagements futurs, étant donné que des sommes importantes sont en jeu.
- Lorsqu'on demande l'autorisation d'acheter du capital-actions versé et des actions remboursables, il conviendrait d'indiquer pour chaque cas dans le budget principal des dépenses, les sommes requises pour satisfaire à la totalité des obligations créées.

RÉPARTITION CONVENABLE DES RESPONSABILITÉS EN MATIÈRE DE BUDGÉTISATION

- Afin de s'assurer que les données recueillies sont complètes, précises et uniformes, l'Agence fera bien de déterminer et de documenter dans un manuel les fonctions qui devraient échoir à chacun des divers niveaux hiérarchiques de l'organisation de l'Agence et les procédés internes que chacun d'eux devrait suivre dans le cadre de la budgétisation, tout en veillant particulièrement à ce que les attributions conférées aux niveaux inférieurs soient suffisantes pour leur permettre de s'acquitter de leurs responsabilités à l'égard du budget.

CONTRÔLE DES ENGAGEMENTS ET DES AFFECTATIONS

- Il y a lieu de documenter de façon détaillée dans un manuel les procédés de contrôle des affectations et des engagements de sorte que le rôle et les responsabilités de tous les participants affectés au système soient bien communiqués. Le manuel devra expliquer comment procéder à l'étude annuelle des engagements en cours.

COMMENTAIRES DE L'AGENCE

Nous sommes à étudier la question de concert avec le secrétariat du Conseil du trésor en vue d'appliquer cette recommandation.

Bien que nous approuvions en principe cette recommandation, il s'agit ici d'un problème qui se manifeste dans l'ensemble du gouvernement et qui devrait être résolu par le secrétariat du Conseil du trésor.

Le règlement de cette question relève du Conseil du trésor et du ministère des Finances.

Accepté. Nous incluerons ces renseignements dans le manuel financier dont il a été question précédemment.

Accepté. On a déjà documenté les procédés de contrôle des affectations et des engagements, mais non le rôle et les responsabilités de tous les participants affectés au système. Nous verrons cependant à ce que cela soit fait. Les engagements en cours sont revus régulièrement.

PRÉVISIONS DE CAISSE

Les directions d'exécution sont tenues de préparer et de présenter des données aux fins de l'établissement des prévisions de caisse, mais leurs façons de procéder ne sont pas uniformes car les procédures internes ne sont pas documentées.

- Il faudrait mentionner clairement dans un manuel la façon d'établir les prévisions de caisse.

Nous allons étudier la possibilité de documenter les procédés courants, mais il convient de faire remarquer que tout système de prévisions de caisse ne doit pas négliger des facteurs tels l'expérience et la connaissance personnelle.

RAPPORTS AUX FINS DE LA GESTION

- L'A.C.D.I. devrait entreprendre, aux termes d'un mandat précis et approprié, une enquête qui lui permettrait de déterminer si les gestionnaires de programmes obtiennent les renseignements financiers sous une forme qui leur permette de gérer efficacement leur programme.

Le Bureau des conseillers en gestion du ministère des Approvisionnements et Services procède actuellement à une étude.

**COMPTES RENDUS DU MINISTÈRE DES
APPROVISIONNEMENTS ET SERVICES**

- Il conviendrait de réviser le mode d'utilisation des services de comptes rendus financiers qu'offre le ministère des Approvisionnements et Services, afin de prévenir les dépenses supplémentaires occasionnées par le double traitement des données d'entrées et d'utiliser davantage ses services.

Les pertes de temps et d'argent occasionnées par le double emploi des données sont de minime importance. Les rapports du ministère des Approvisionnements et Services complètent le système de rapport de l'A.C.D.I. Nous avons déjà considéré cette question et décidé que la mise sur pied du système actuel s'imposait pour produire en temps voulu des rapports qui répondent aux besoins de notre gestion.

**COMPTES RENDUS AU PARLEMENT PAR
L'INTERMÉDIAIRE DES COMPTES
PUBLICS**

- Les noms des bénéficiaires de chaque subvention et contribution devraient être publiés dans les Comptes publics et il y a lieu d'envisager de classer les subventions et contributions selon la division de l'A.C.D.I. dont elles émanent, comme par exemple: Asie, Antilles, Afrique du Commonwealth, etc.

- Il y a lieu de divulguer dans les Comptes publics toutes les implications financières se rapportant au crédit relatif aux prêts, y compris:
 - a) la partie non déboursée des prêts autorisés; et
 - b) les situations où a été autorisé l'achat d'actions remboursables mais où le budget ne prévoit pas les fonds nécessaires pour satisfaire aux obligations. Les sommes ainsi requises devraient être inscrites dans les Comptes publics ou divulguées comme passif éventuel.

Nous ne déclarons pas toutes nos subventions et contributions. Les Comptes publics augmenteraient considérablement de volume, et le travail s'accroîtrait en conséquence, si nous entreprenions de signaler chacune des subventions et contributions versées par l'A.C.D.I. aux pays en voie de développement, aux institutions d'enseignement des pays en voie de développement, et aux organismes d'assistance non gouvernementaux oeuvrant dans le domaine de l'aide. Une partie de ces renseignements figure dans le rapport annuel de l'A.C.D.I. dont des exemplaires sont distribués aux membres du Parlement ainsi qu'à de nombreux organismes et institutions. Nous discuterons cependant de ces recommandations avec les agents intéressés de la direction de la comptabilité du gouvernement du Canada (ministère des Approvisionnements et Services) ainsi que du secrétariat du Conseil du trésor.

MINISTÈRE DE L'AGRICULTURE

Observations et recommandations en date du mois de novembre 1974

Commentaires du Ministère en date du mois de mars 1975

Notre étude du ministère de l'Agriculture s'est limitée aux domaines suivants:

le Programme d'administration

le Programme de recherches

le Programme de la production et des marchés

le Programme d'hygiène vétérinaire

la Caisse renouvelable de la Surveillance des champs de course.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

ORGANISATION ET DOTATION EN PERSONNEL

- La portée, la qualité et l'efficacité de la gestion financière du Ministère souffrent d'une rotation élevée du personnel et de la difficulté qu'on a à trouver des titulaires expérimentés et qualifiés pour les postes d'administration financière disponibles. On pourrait remédier à cette situation en définissant mieux la fonction financière et en améliorant les pouvoirs, les responsabilités et les perspectives de carrière des personnes chargées de fonctions financières.

Le Ministère devrait veiller à se doter d'un personnel financier suffisant pour aider efficacement la direction:

- a) en renforçant, et peut-être en réorganisant, la fonction financière; et
- b) en donnant la priorité aux efforts de recrutement.

Nous fonctionnons maintenant d'après le principe suivant: les gestionnaires hiérarchiques de programme ont entière responsabilité pour l'administration financière des activités relevant d'eux et les améliorations nécessaires au système de la gestion et du contrôle financiers peuvent être apportées dans le cadre de l'organisation décentralisée existante si l'on dispose d'un personnel financier approprié. Nous envisagerons les autres formules possibles d'organisation ainsi que les modifications à apporter; à l'heure actuelle, nous accordons la plus haute priorité au recrutement des agents financiers, au réexamen de leur niveau de classification et à d'autres moyens de dotation.

LIENS FONCTIONNELS

- Les agents supérieurs des finances ne participent pas toujours aux mesures de gestion du personnel concernant les agents financiers ou autres fonctionnaires chargés de fonctions financières pour le compte des gestionnaires d'exploitation. Les pouvoirs et responsabilités fonctionnels sont mal définis dans les manuels et les organigrammes du Ministère. Par conséquent, il n'y a pas d'uniformité dans la portée et la qualité des services financiers et l'on constate des difficultés à répondre aux nouvelles exigences en matière de comptabilité, de contrôle ou d'informations financières, ainsi que dans leur mise en oeuvre.

Les liens entre les agents supérieurs des finances et leurs subordonnés fonctionnels devraient être renforcés, clarifiés et décrits, notamment à l'égard des points suivants:

- a) descriptions de poste;
- b) décisions de classification;
- c) évaluations de rendement;
- d) plans de carrière et perfectionnement professionnel; et
- e) examen et détermination des priorités, objectifs, besoins de dotation et budgets.

Nous clarifierons et nous décrirons officiellement la responsabilité fonctionnelle des agents supérieurs des finances au niveau des programmes. Nous prendrons également des mesures pour faire participer plus activement le directeur des finances ou son délégué aux diverses mesures de gestion du personnel concernant les agents financiers qui relèvent des gestionnaires d'exploitation.

**FONCTION FINANCIÈRE DE LA
DIRECTION DU PERSONNEL**

- Les lacunes repérées dans le système de contrôle financier de l'établissement de la paie ainsi que la comptabilité et la communication des coûts salariaux et de l'utilisation des données d'années-hommes semblent être attribuables principalement à la participation en commun aux responsabilités correspondantes des agents des finances, du personnel et de l'administration.

OBSERVATIONS ET RECOMMANDATIONS

Le système de contrôles financiers appliqué par la direction du personnel, ainsi que toutes les modifications afférentes, devraient être constamment revus et approuvés par le fonctionnaire supérieur des finances. Plus particulièrement:

- a) les gestionnaires des centres de responsabilité devraient être requis de déléguer des pouvoirs de dépenser pour des certificats de rémunération de travail supplémentaire et la direction du personnel devrait effectuer les vérifications adéquates afin de s'assurer que les pouvoirs délégués dans ce domaine sont respectés;
- b) les services de vérification interne devraient examiner le processus d'établissement de la paie; et
- c) les systèmes de comptabilité des éléments de paie et des années-hommes devraient être mieux intégrés dans les principaux systèmes de comptabilité, de rapports financiers et de contrôles budgétaires du Ministère.

MANUEL FINANCIER

- Le manuel existant d'administration financière est incomplet. Par exemple, il n'existe pas de descriptions ni de renvois concernant les questions suivantes:
 - a) exposés concis des responsabilités financières des fonctionnaires participant au système de gestion et de contrôle financiers;
 - b) méthodes de gestion et de contrôle financiers établies dans des circulaires et manuels administratifs ou des notes concernant le personnel et la paie;
 - c) méthodes et contrôles concernant les prévisions de programme et la préparation du budget; et
 - d) systèmes de contrôle interne applicables aux cas spéciaux tels les fonds renouvelables, les stocks ou les subventions et contributions.

COMMENTAIRES DU MINISTÈRE

Une étude du système des contrôles financiers faite par la direction du personnel, portant d'abord sur les bureaux régionaux du personnel et les délégations de pouvoirs, est en cours. Un nouveau système de rapports sur les effectifs a été mis en oeuvre en février 1975 et il sera amélioré continuellement.

L'intégration efficace de ce système interne dans le système principal de comptabilité et de rapports représente cependant une tâche plus complexe et constitue un objectif à plus long terme. Nous étudions aussi les autres formules possibles de comptabilité des années-hommes.

OBSERVATIONS ET RECOMMANDATIONS

Le manuel financier devrait être complété, à l'aide de suppléments pour chaque programme au besoin, afin de couvrir les points qui ne le sont pas encore et de se conformer aux lignes directrices du Conseil du trésor.

DÉLÉGATION DE POUVOIRS

- D'après le système actuel de délégation de pouvoirs, une opération financière peut être entreprise et autorisée par un même agent, sans contrôle ni autorisation d'un autre fonctionnaire.

La délégation de pouvoirs devrait être modifiée conformément aux directives du Conseil du trésor.

CONTRÔLES COMPTABLES

- Il existe certaines déficiences dans le circuit des achats et des paiements, en raison principalement d'une mauvaise division des tâches liées au cheminement des documents et aux autres contrôles. En conséquence, des fraudes, des erreurs ou des omissions risquent de passer inaperçues.

On devrait modifier le système de contrôles comptables dans un souci d'exactitude et de respect des pouvoirs délégués et afin que toutes les données comptables soient suffisamment complètes. En particulier, il devrait exister des preuves, des vérifications indépendantes et des contrôles comptables suffisants pour garantir que:

- a) les mesures de contrôle prescrites sont respectées;
- b) les fraudes, erreurs ou omissions possibles sont détectées; et
- c) les opérations sont inscrites au cours de la période comptable appropriée.

COMMENTAIRES DU MINISTÈRE

Nous modifions constamment notre manuel financier, depuis des années. Nous reconnaissons que notre manuel n'est pas complet; nous nous efforcerons de l'améliorer afin de remédier aux lacunes signalées par les services de contrôle interne ou les organismes centraux.

En 1974, nous avons examiné avec le Conseil du trésor notre système de délégation de pouvoirs. Nous mettons actuellement au point de nouvelles méthodes afin de remédier aux lacunes signalées et de nous conformer aux directives du Conseil du trésor.

Nous examinerons en détail certains aspects de nos mesures de contrôles comptables et apporterons les améliorations nécessaires aussi vite que possible.

POLITIQUES DE REVENU

- On ne procède à aucun examen périodique afin de repérer les cas où il pourrait être opportun de facturer les services fournis pour le moment gratuitement, ou d'accroître leur prix lorsque le tarif actuel est périmé ou trop faible par rapport au coût des services fournis.

Le Ministère devrait mettre en place un système complet d'examen périodique des tarifs et d'information de la haute direction du Ministère et du Conseil du trésor concernant l'impact financier des politiques actuelles ainsi que les besoins de modifications.

La question a été soulevée par une équipe d'évaluation du Conseil du trésor au printemps 1974; nous avons établi un projet de méthodes à mettre en oeuvre en 1975.

**CONTRÔLE INTERNE DES REVENUS ET
DES COMPTES À RECEVOIR**

L'absence d'une bonne répartition des tâches - qui permettrait à un commis de contrôler en toute indépendance l'exactitude et l'intégrité du travail d'un autre - est la plus courante des diverses lacunes décelées dans la plupart des systèmes de contrôle interne portant sur la facturation, la comptabilité, la perception et le dépôt des revenus dans tout le Ministère.

Le fonctionnaire supérieur des finances devrait étudier à fond la validité de tous les systèmes de contrôle interne des revenus et des comptes à recevoir en s'intéressant tout particulièrement à la répartition des tâches.

Notre manuel comptable indique la répartition fondamentale des tâches dans le domaine du contrôle des revenus et des comptes à recevoir. Cependant, il est de fait qu'au niveau de l'exécution ces contrôles sont souvent mal interprétés et appliqués. Cette question a elle aussi été soulevée par une équipe d'évaluation du Conseil du trésor en 1974, à la suite de quoi nous avons entrepris de revoir nos méthodes pour les rendre plus détaillées et complètes. Ce secteur a été mis sous surveillance permanente et continuera de recevoir une attention soutenue à l'avenir. À notre avis, la meilleure façon de régler le problème consiste à améliorer les directives décrivant les méthodes à suivre (comme il a été indiqué ci-dessus) et à corriger les lacunes ou problèmes précis mis en lumière par le programme de vérification.

BIENS D'ÉQUIPEMENT

- On devrait exercer un contrôle précis pour veiller à ce que, à l'achat, chaque bien d'équipement soit inscrit dans les comptes auxiliaires voulus, qui sont par ailleurs complets.

Bien que nous ne considérions pas cette question comme prioritaire, nous envisagerons la possibilité d'améliorer le contrôle des comptes auxiliaires.

**STOCKS DE FOURNITURES ET DE
BÉTAIL**

Le Ministère possède des stocks attrayants et d'importance, négociables ou de valeur non négligeable par rapport au budget des centres de responsabilité intéressés, lesquels ne font pas l'objet d'un contrôle comptable ou budgétaire indépendant. Il existe des incohérences dans l'objet, le mécanisme et le contenu de la caisse renouvelable du ministère de l'Agriculture, et les montants qui y sont portés ne sont pas en rapport avec le budget total des programmes concernés.

Le Ministère devrait:

- a) établir des contrôles comptables indépendants sur les principaux stocks; et
- b) fermer la caisse renouvelable du ministère de l'Agriculture.

a) Nous étudierons la possibilité d'établir des contrôles comptables indépendants des principaux stocks dans les cas où ils seront utiles et réalisables.

b) La caisse renouvelable du ministère de l'Agriculture a été établie pour satisfaire à un important besoin de fonds à court terme, pour l'achat d'animaux expérimentaux, la multiplication de nouvelles variétés de récoltes et le financement de diverses activités rémunératrices précises.

La Caisse continue de répondre efficacement à ces besoins, bien que la présentation des faits aient été faussée au fil des ans par la présentation, dans les Comptes publics, d'«états des opérations» qui introduisent des frais généraux et des frais d'opération qui avaient déjà été imputés de façon appropriée à d'autres affectations de crédit. Il existe une autre anomalie, à savoir que l'appellation de «Caisse renouvelable», autorisée à des fins précises par le Parlement en 1952, ne correspond pas tout à fait aux définitions établies en 1970 par le Conseil du trésor concernant les Caisses renouvelables et les avances de fonds de roulement. Dans les Comptes publics, la Caisse est présentée comme une avance de fonds de roulement.

Nous sommes disposés à donner suite à toute observation valable des vérificateurs ou à toute directive destinée à améliorer l'administration et la comptabilité reliée à cette Caisse, voire à modifier le nom de cette dernière au besoin; nous ne sommes cependant pas d'accord pour la supprimer.

VÉRIFICATION INTERNE

Le service de vérification interne relève du directeur de l'administration financière. Un grand nombre de ses recommandations ne sont pas suivies rapidement et les opérations financières ainsi que le système de paie du bureau principal ne font pas l'objet de vérifications suffisamment étendues. Lorsqu'on détecte des déficiences dans les systèmes de contrôle financier, le service de vérification manque de ressources en personnel pour accroître ses examens de façon qu'aucune fraude ou erreur ne passe inaperçue.

Le Ministère devrait établir un comité de vérification et accroître la portée des examens sur les contrôles financiers au sein de la division de l'administration financière, de la direction du personnel et des bureaux comptables de programmes.

Nous mettrons en place un comité de vérification ou un autre mécanisme pour assurer que la vérification interne est objective et que la direction donne suite aux recommandations. Nous sommes conscients du fait que les vérifications doivent être étendues; de fait, les plans actuels et futurs prévoient l'accroissement des examens dans les domaines mentionnés. Cependant, comme c'est le cas pour tout le personnel financier, il est difficile de recruter et de conserver des vérificateurs qualifiés, et l'accroissement des effectifs dépend des ressources supplémentaires que permettent d'obtenir les prévisions de programme. Comme par le passé, les ressources disponibles devront être concentrées dans les domaines jugés de la plus haute importance par la gestion.

**STRUCTURE PAR PROGRAMME ET
ACTIVITÉ**

Les renseignements sur les programmes et activités présentés dans le Budget des dépenses et les Comptes publics offrent un intérêt limité et ne facilitent peut-être pas une bonne information et un contrôle efficace par le Parlement. Ces informations ne reposent pas sur les travaux et activités de base (éléments d'activité) qui représentent les opérations fondamentales du Ministère. Le système de contrôle budgétaire n'a pas été à la hauteur des efforts faits pour intégrer les notions de rationalisation des choix budgétaires, de gestion par objectifs et de mesures du rendement de l'exploitation, toutes fondées sur des éléments d'activité discernables.

OBSERVATIONS ET RECOMMANDATIONS

Conformément à la directive du Conseil du trésor, la structure par activité du Ministère devrait être subdivisée au besoin jusqu'au point où les niveaux les plus bas ou élémentaires, les éléments d'activité, correspondent au coût des travaux et projets effectués pour atteindre les objectifs de programmes.

La nomenclature des comptes devrait être affinée de façon à fournir toutes les données de coût nécessaires au contrôle budgétaire et à d'autres fins, ce qui éliminerait le besoin de systèmes supplémentaires de coûts indiquant le coût des produits, des travaux ou des opérations.

PRÉPARATION ET CONTRÔLE DU BUDGET

Le système de préparation et d'examen du budget dépend exagérément des capacités, de l'expérience, de l'intégrité et du style des personnes participant au processus. On constate un manque de directives centrales, de preuves documentaires, de communication des décisions et priorités de la direction et d'informations significatives qui faciliteraient un bon examen des programmes permanents ou nouveaux.

Les budgets détaillés résultant de la préparation des prévisions de programme et du Budget des dépenses, souvent, ne constituent pas une base utile pour les rapports financiers et le contrôle budgétaire tout au long de l'année, du fait qu'ils ne représentent pas une évaluation réaliste des coûts prévus, de l'utilisation des années-hommes et des résultats par mois et par article des dépenses, projet ou activité dont les gestionnaires puissent être tenus de rendre compte.

Il devrait exister une description et une communication suffisantes des priorités et décisions de la direction, ainsi que des méthodes ministérielles d'établissement et d'examen des prévisions de programme, du budget principal des dépenses et des budgets détaillés des centres de responsabilité.

COMMENTAIRES DU MINISTÈRE

Nous mettrons sur pied une équipe d'étude spéciale afin d'étudier les possibilités de subdiviser la structure actuelle par activité.

Nous nous efforcerons d'améliorer la description et la communication afin de faciliter la préparation et l'examen des budgets, dans le cadre des contraintes de temps inhérentes à ce processus et compte tenu du fait que nous ne recevons que rarement à l'avance du Secrétariat du Conseil du trésor un exposé précis des priorités gouvernementales.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

Les budgets détaillés par centre de responsabilité, compatibles avec les prévisions totales autorisées, devraient être modifiés de façon à fournir une base réaliste pour le contrôle budgétaire tout au long de l'année.

Il faudrait établir des méthodes de comptabilité et de budget d'exercice dans tout le Ministère afin de les appliquer dans tous les cas où de simples données de trésorerie ne sont pas assez significatives ou précises pour permettre de déterminer les coûts, de mettre ces derniers en corrélation avec le rendement obtenu ou d'exercer de quelque autre façon un contrôle budgétaire efficace.

Nous mettrons sur pied des méthodes d'ajustement budgétaire et de comptabilité d'exercice qui seront appliquées lorsque la situation le justifiera.

RAPPORTS FINANCIERS

- Dans presque tous les cas, les gestionnaires de centres de responsabilité ne se servent des rapports financiers informatisés prescrits que pour comparer les dépenses engagées depuis le début de l'année avec leur budget, afin de connaître les fonds disponibles pour l'avenir. Les rapports ne sont pas assez complets, précis ou significatifs pour les gestionnaires qui essaient d'analyser avec plus de précision les informations financières ou de tenir leurs subordonnés dans l'obligation de rendre compte. En général, on tient pour eux d'autres registres ou des moyens de regrouper les informations.

Le Ministère devrait mieux utiliser les services de rapports financiers du ministère des Approvisionnements et Services. En particulier, on devrait prévoir les activités suivantes:

- a) regroupement des coûts au niveau des éléments d'activité;
- b) techniques de comptabilité d'exercice;
- c) rapport des données mensuel; et

Nous nous efforcerons de perfectionner constamment notre système de rapports financiers dans le sens indiqué par les vérificateurs, et plus particulièrement dans les domaines suivants:

- a) la structure actuelle de programmes et d'activités permet de repérer les dépenses par sous-activité et projet. Nous nous efforcerons selon les besoins, d'affiner la ventilation des éléments de coût et d'améliorer la structure existante;
- b) nous envisagerons la possibilité de mettre en oeuvre des techniques de comptabilité d'exercice lorsqu'il existe un besoin précis de données financières reposant sur les coûts;
- c) la production de données mensuelles qui s'ajouterait aux données accumulées depuis le début de l'année n'est pas envisagée en général dans un système de rapports de trésorerie, mais elle le sera lorsqu'elle permettra d'améliorer l'efficacité de la gestion et du contrôle; et

**OBSERVATIONS ET
RECOMMANDATIONS**

- d) regroupement de données sur le rendement des exploitations

COMMENTAIRES DU MINISTÈRE

d) conformément aux lignes directrices du Conseil du trésor, nous avons entrepris d'étudier la possibilité de mettre en oeuvre le système de mesure du rendement de l'exploitation. Si l'on appliquait ce système, on obtiendrait des données sur le rendement des exploitations.

MINISTÈRE DES APPROVISIONNEMENTS ET SERVICES

PROGRAMME DES APPROVISIONNEMENTS - FONDS RENOUVELABLE DES APPROVISIONNEMENTS

Observations et recommandations en date du mois de juin 1975

Commentaires du Ministère en date du mois d'août 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

ORGANISATION FINANCIÈRE ET COMPTABLE

- Il faudrait définir le rôle du contrôleur de façon qu'il ait l'autorité et la responsabilité supérieures en matière d'approbation des fonctions et systèmes financiers et comptables, sans égard au fait que tous les gestionnaires financiers de l'administration des approvisionnements relèvent de lui sur le plan fonctionnel ou, directement, sur le plan hiérarchique.
- Au cours de notre examen, nous avons relevé certains cas de double emploi des fonctions comptables.

Il faudrait déterminer la portée et les raisons du double emploi des fonctions comptables et les éliminer.

- Il faudrait attribuer à la direction du contrôleur la charge de recueillir les informations relatives aux prévisions d'exploitation et aux demandes de révision des tarifs. Le contrôleur devrait ensuite recommander au comité de gestion les tarifs nécessaires ainsi que les corrections à apporter aux budgets d'exploitation, après avoir étudié les plans financiers avec le secteur de la planification de l'approvisionnement pour s'assurer qu'ils sont conformes aux objectifs et plans à long terme de l'administration des approvisionnements.

Nous sommes d'accord. Nous sommes en train d'étudier les conclusions que des experts-conseils ont tiré de leur examen de l'organisation de la direction du contrôleur. La seconde phase de l'étude consiste à préciser la portée et la nature de l'autorité fonctionnelle du contrôleur dans le Ministère.

Nous déterminerons la portée de tout double emploi des fonctions comptables et l'éliminerons. Les études des fonctions et systèmes financiers qui sont en cours contribueront à la réalisation de cet objectif.

Nous considérons ces décisions comme étant du ressort de la gestion du Ministère. La collecte des données financières relatives aux prévisions d'exploitation et aux demandes de révision des tarifs incombe aux conseillers en gestion financière de chacun des services administratifs. C'est au secteur de la planification des approvisionnements qu'il revient de formuler des recommandations de politique intégrée d'après cette information; il n'y a donc aucune raison apparente de modifier notre système actuel.

OBSERVATIONS ET RECOMMANDATIONS

- L'administration des approvisionnements devrait adopter une seule norme d'ensemble des attributions de chaque groupe intéressé aux systèmes informatiques et donner à chacun des responsabilités et des pouvoirs précis en vue de la mise au point des systèmes et de leur bon fonctionnement par la suite.

DÉLÉGATION DES POUVOIRS

- Les formules servant à la délégation des pouvoirs financiers devraient être remplies dès que possible et la section du manuel d'administration reliée aux pouvoirs de signature devrait être mise à jour.
- Les bureaux de paiement des secteurs des services devraient être informés immédiatement des pouvoirs de payer, prévus par l'article 26, qui sont actuellement autorisés.
- Il faudrait mettre en place un système de mise à jour des cartes de spécimen de signature.
- La délégation actuelle limite par inadvertance le pouvoir d'attester la réception des marchandises nouvelles ou nécessaires au réapprovisionnement des stocks.

L'autorité permettant de certifier la réception dans le système d'approvisionnement d'articles normalement stockés devrait être déléguée à des employés occupant des postes où cette autorité peut être exercée efficacement.

- Le pouvoir de l'article 27 (sauf en ce qui concerne les achats du système d'approvisionnement d'articles normalement stockés) devrait être délégué aux directions d'exploitation de l'administration des approvisionnements, et la direction du contrôleur devrait être chargée d'examiner ces autorisations ainsi que de certifier le pouvoir de payer prévu à l'article 26 de la Loi sur l'administration financière.

COMMENTAIRES DU MINISTÈRE

Le 26 juin 1975, le comité de gestion du sous-ministre des approvisionnements a approuvé le plan d'action relié aux systèmes de l'administration des approvisionnements, qui établit une norme d'ensemble des attributions qui concernent les systèmes. Le plan prévoit: la définition et la documentation des systèmes existants et des attributions reliées aux données d'entrée, au traitement, au contrôle de la qualité et aux données de sortie; l'élaboration de méthodes visant au bon fonctionnement des systèmes; l'établissement de modalités de mise au point des systèmes et la détermination des responsabilités concernant la définition des priorités; la nomination d'un gestionnaire des systèmes choisi parmi les utilisateurs, le principal client ou le service intéressé au premier chef, et à l'autorité duquel seraient soumis les changements autorisés.

Nous sommes d'accord. Nous remplirons sous peu les formules et avons presque terminé la mise à jour du manuel d'administration.

Nous sommes d'accord. Cette tâche est en voie d'achèvement.

Nous sommes d'accord. Le système est déjà conçu et sa mise en oeuvre est presque achevée.

Nous sommes d'accord. Nous prenons actuellement des mesures pour corriger cette anomalie en accroissant les pouvoirs délégués dans le cadre du système d'approvisionnement d'articles normalement stockés.

Nous sommes d'accord. Le pouvoir de signature correspondant à l'article 27 sera délégué aux personnes chargées de vérifier l'exécution des travaux, la livraison des marchandises ou la prestation des services.

**PAIEMENTS CENTRALISÉS
(EXPÉDITIONS DIRECTES)**

- Tant pour les services d'impression commerciale que pour les autres expéditions directes du programme des approvisionnements, il faudrait faire faire une étude indépendante afin de déterminer s'il serait plus économique et pratique de confier aux ministères et aux organismes clients la responsabilité fonctionnelle de vérifier et d'acquitter les factures des fournisseurs.

Cette étude devrait tenir compte des méthodes de vérification et de paiement qui sont appliquées à cet égard par chaque ministère client.

- Si l'étude recommandée ci-dessus concluait à la nécessité de ne pas décentraliser les paiements, il faudrait élaborer une formule normalisée attestant l'exercice du pouvoir prévu à l'article 27 concernant la réception des marchandises; cette formule servirait à tous les ministères clients pour leurs propres opérations de vérification et de paiement et elle informerait le personnel du programme des approvisionnements de la réception des biens. Les ministères clients seraient responsables au premier chef des méthodes de contrôle interne portant sur l'utilisation de cette formule normalisée.
- Il faudrait annuler immédiatement les instructions en date du 21 mars 1975 par lesquelles la direction du contrôleur permet d'acquitter les factures des imprimeurs lorsqu'elles sont accompagnées d'un bordereau de livraison signé.

Nous sommes d'accord. Nous ferons une étude indépendante de ces deux situations.

Nous sommes d'accord.

Nous étudierons cette question en vue de prendre les mesures appropriées.

**CONTRÔLE DES DÉPENSES - DIVISION
DES SERVICES DE COMPTABILITÉ
GÉNÉRALE**

- Il faudrait supprimer le mécanisme actuel d'inscription des engagements à l'égard des coûts d'exploitation de la part de la direction du Fonds renouvelable des approvisionnements.
- Le contrôleur devrait bien définir les attributions entre les directions hiérarchiques et la division des services de comptabilité générale concernant la vérification des factures et des demandes en remboursement de frais de voyage, la tenue des registres à l'appui, l'établissement et la certification des demandes de chèque.

Nous sommes d'accord. Nous l'avons supprimé.

Nous sommes d'accord.

OBSERVATIONS ET RECOMMANDATIONS

- Le registre des erreurs commises par les responsables de la vérification a priori et tenu par le personnel de la division des services de comptabilité générale devrait être revu périodiquement par le chef de la division et porté à la connaissance du contrôleur de façon qu'on puisse déterminer les erreurs qui se répètent et évaluer l'efficacité de la vérification.
- La transmission des chèques aux bénéficiaires par l'intermédiaire des agents des ministères devrait se limiter aux cas approuvés par le sous-ministre, conformément aux recommandations du Conseil du trésor. Le contrôleur devrait établir des mesures de contrôle appropriées concernant la manipulation de ces chèques.

CONTRÔLE DES DÉPENSES - DIVISION DES SERVICES FINANCIERS

- La vérification de la réception des marchandises dans le cadre du système informatique d'approvisionnement d'articles normalement stockés se fait par mise en correspondance automatique des données figurant sur les bordereaux de réception et sur les factures correspondantes.

Il faudrait contrôler les signatures figurant sur les bordereaux de réception fournis au système de façon que le personnel de bureau qui exerce le pouvoir prévu à l'article 27 puisse se fier à cette vérification automatique.

- Les responsabilités reliées à la certification, prévue à l'article 26, des comptes correspondant à l'acquisition d'articles et au réapprovisionnement des stocks, ainsi qu'aux services d'expédition directe et de gestion des transports, semblent être mal comprises du fait que le recouvrement de ces comptes est effectué par les ministères clients et doit faire l'objet d'une vérification à ce moment-là.

Il faudrait bien définir les responsabilités des agents financiers exerçant le pouvoir de payer prévu à l'article 26 et leur fournir tous les documents justificatifs avant qu'ils exercent ce pouvoir.

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord. Les méthodes actuelles feront place à un système officiel de rapports mensuels.

Nous sommes d'accord. Nous donnons suite à cette recommandation conformément aux exigences du Conseil du trésor.

Nous sommes d'accord. Nous effectuerons périodiquement des contrôles par sondage, que surveillera de façon indépendante la direction de la vérification comptable des approvisionnements.

Nous sommes d'accord. Nous ferons une étude des méthodes de façon que les précautions voulues soient prises dans l'exercice du pouvoir de payer prévu à l'article 26.

OBSERVATIONS ET RECOMMANDATIONS

- Le contrôleur devrait évaluer les méthodes en vigueur dans chacun des services de gestion des transports à l'égard de la vérification des comptes, après quoi on devrait envisager de déléguer le pouvoir prévu à l'article 27 au service compétent, qui l'exerce en effet à l'heure actuelle.
- Il faudrait entreprendre d'étudier les méthodes de vérification a posteriori qu'applique le Service central des voyages pour en évaluer la validité et, s'il y a lieu, établir les lignes directrices ainsi qu'un ordre de priorité.
- Avant d'être expédiées au bureau des services, les demandes de chèque dûment certifiées ne devraient pas revenir au personnel de bureau chargé de la certification prévue à l'article 27 ainsi que de la tenue du registre des totaux de lots.

CONTRÔLE DE LA PAIE

- La personne exerçant le pouvoir prévu à l'article 26 à l'égard de la modification de la paie doit avoir suffisamment de renseignements pour pouvoir étudier valablement les documents.

Le contrôleur, par l'intermédiaire des agents financiers des directions de concert avec les agents du personnel, devrait établir et exercer des contrôles suffisants sur la paie.

CONTRÔLE DES STOCKS

- L'administration des approvisionnements devrait considérer comme prioritaires l'établissement de stocks optimaux et l'explication des attributions en matière de gestion des stocks.
- Il faudrait dénombrer et concilier chaque année un nombre d'articles du système d'approvisionnement qui représente la majeure partie de la valeur du stock, conformément à la politique adoptée par le contrôleur en février 1975. La direction du contrôleur devrait avoir la haute main sur les méthodes d'inventaire.

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord.

Nous sommes d'accord.

Nous sommes d'accord. Nous avons comblé cette lacune.

Le problème immédiat est maintenant réglé; nous convenons que le contrôleur devrait participer à l'établissement et au maintien de contrôles suffisants sur la paie.

Nous avons établi les stocks optimaux en fonction des frais d'entreposage, des frais de commande, de l'usage prévu et des stocks de sécurité nécessaires pour satisfaire les objectifs de qualité de service. La responsabilité de la détermination de ces stocks a été établie le 4 avril 1975, avec effet à cette date.

Nous convenons qu'il faudrait dénombrer et concilier les articles représentant la majeure partie de la valeur du stock et que le contrôleur devrait conseiller et approuver les méthodes d'inventaire. La direction de la vérification des approvisionnements surveillera ces méthodes de prise d'inventaire.

Lors du récent inventaire triennal du centre d'approvisionnements de la région de la capitale, la direction de la vérification des approvisionnements a commenté les méthodes d'inventaire et de conciliation, qu'elle a jugées efficaces et de bon rendement.

CONTRÔLE DES AVANCES

- Concernant la tenue des registres d'avances permanentes et d'avances de frais de déplacement, il faudrait préciser les attributions de la division des services de comptabilité générale, de la division des services financiers et d'un certain nombre de directions qui tiennent des registres de ce genre, et il faudrait attribuer ces responsabilités au palier où elles peuvent être exercées le plus valablement.
- Il faudrait établir des méthodes permettant la conciliation périodique des registres auxiliaires d'avances et des soldes des comptes fiscaux.

Nous sommes d'accord.

Nous sommes d'accord. Nous étudierons la question et, s'il y a des lacunes, nous instaurons des méthodes de conciliation mensuelle.

IMMOBILISATIONS (Articles en usage)

- Il faudrait bien définir les responsabilités de la division de la gestion du matériel et de la direction du contrôleur à l'égard des registres d'immobilisations, et éliminer tout double emploi.
- Il faudrait concilier périodiquement les registres auxiliaires d'immobilisations et les registres de dépenses à l'égard des immobilisations imputées aux crédits ministériels (Services et Administration) et de celles achetées par l'intermédiaire du Fonds renouvelable des approvisionnements. Il faudrait également faire la conciliation avec le grand livre du Fonds renouvelable des approvisionnements (compte d'immobilisations).
- Le système de contrôle des immobilisations en cours d'élaboration devrait présenter au moins les caractéristiques suivantes:
 - une liste des stocks de chacun des centres de responsabilité, qui devrait leur être envoyée et être tenue à jour;
 - des méthodes de redressement rapide des dossiers en cas d'aliénation ou de transfert de biens; et
 - une vérification matérielle périodique.

Nous avons mis au point un système efficace de contrôle des stocks d'immobilisations. Le rapport définitif qui sera présenté à ce sujet à la direction avant la mise en oeuvre du système tiendra compte des recommandations de l'équipe d'évaluation de l'Auditeur général.

Voir ci-dessus.

Voir ci-dessus.

VÉRIFICATION INTERNE

- Dans le programme des approvisionnements, la vérification interne a eu une portée limitée jusqu'ici; en particulier, elle n'a comporté ni examen ni évaluation des systèmes informatisés, des méthodes et usages pour la paie ainsi que des opérations des centres régionaux d'approvisionnement.

Il faudrait faire une étude complète de l'étendue de la vérification financière pour veiller à ce que tous les secteurs importants fassent l'objet d'examen, et ce avec une fréquence suffisante.

- Il faudrait confier, soit à la direction de la vérification de gestion des services, soit à la direction de la vérification comptable des approvisionnements, l'évaluation des besoins de contrôle et la surveillance de la vérification des divisions de la direction du contrôleur qui desservent tant l'administration des Approvisionnements que celle des Services.
- L'équipe de vérification chargée d'examiner la direction du contrôleur devrait être aussi responsable de la vérification du programme d'administration du Ministère.
- Quant aux vérifications données à contrat au Bureau des services de vérification, la direction de la vérification comptable des approvisionnements devrait étudier périodiquement les programmes de vérification et les feuilles de travail pertinents pour s'assurer que l'étendue de la vérification répond aux normes convenues.
- Il faudrait établir un comité ministériel de vérification, comme le recommande le Guide d'administration financière du Conseil du trésor.

Nous sommes d'accord. Nous avons donné suite à cette recommandation.

C'est le Conseil du trésor qui impose la vérification de la direction du contrôleur et du programme d'administration du Ministère, mais c'est nous qui choisissons la méthode à employer. La vérification de la direction du contrôleur et des autres composantes du secteur du soutien central relève à la fois de la direction de la vérification comptable des approvisionnements de l'administration des approvisionnements et de la direction de la vérification de gestion de l'administration des services. Les vérifications données à contrat s'effectuent sous l'égide commune de ces deux directions et sont défrayées à égalité par les deux administrations. Il est entendu que les deux sous-ministres devraient veiller ensemble à l'exécution des vérifications et à l'application des recommandations.

Voir ci-dessus.

Nous sommes d'accord. Nous avons donné suite à cette recommandation.

Aucune directive du Guide du Conseil du trésor ne demande la création d'un comité ministériel de vérification. Toutes les fonctions qu'assumerait ce comité sont exercées par le comité de gestion du sous-ministre des approvisionnements. Le directeur de la vérification comptable des approvisionnements fait partie d'office de ce comité.

**RENTABILISATION ET CONTRÔLE
BUDGÉTAIRE**

- L'objectif du seuil de rentabilité applicable au Fonds renouvelable des approvisionnements devrait être étendu aux secteurs, aux centres de produit et autres centres de responsabilité tels les centres d'approvisionnement régionaux. Il en résulterait sans doute une amélioration de la structure des tarifs d'acquisition. Tous les cas d'écart par rapport à la règle du seuil de rentabilité, dans le cas de centres de produit ou de centres d'approvisionnement régionaux particuliers, devraient être décrits et approuvés par le comité de gestion.
- Les prévisions d'années-hommes, implicites dans la demande de révision des tarifs présentée au Secrétariat du Conseil du trésor, devraient y être précisées et être approuvées par le Conseil du trésor en même temps que les tarifs.

- Les principes régissant la demande de révision des tarifs, les annexes qui y sont jointes et les autres informations exigées devraient être établis par le Secrétariat du Conseil du trésor et acceptés par la direction de l'administration des approvisionnements.

La haute direction du Ministère est en principe favorable à l'établissement du seuil de rentabilité au niveau auquel les services sont rendus aux clients, et nous travaillerons en ce sens. Plus tard, nous étudierons attentivement la possibilité d'appliquer ce principe aux centres de produit et aux centres régionaux.

Les ministères clients sont avisés de leur budget pour la nouvelle année financière dans une lettre leur indiquant les objectifs en matière de budget des dépenses, lettre qui leur est envoyée au début d'août. Il est donc impossible à l'administration des approvisionnements de prévoir son volume d'affaires avant le mois de septembre au plus tôt, alors qu'elle doit présenter sa demande de révision des tarifs à la fin de juillet au plus tard de façon que les clients puissent tenir compte du prix de nos services dans leur demande lors du budget principal des dépenses. Par conséquent, la prévision du volume d'affaires utilisée pour la demande de révision des tarifs est tout à fait provisoire et trop vague pour permettre de déterminer les années-hommes nécessaires. Ce n'est qu'après que le Conseil du trésor a approuvé les dépenses des clients que l'administration des approvisionnements peut prévoir valablement ses besoins en années-hommes. Cette situation n'invalide pas la structure des tarifs proposée, du fait que les variations des dépenses approuvées sont compensées par un contrôle plus sévère du budget de l'administration des services de façon à pouvoir atteindre le seuil de rentabilité. L'administration des services se propose d'explicitier les années-hommes et les frais de salaires correspondant à chacun des services fournis au moment de la révision des tarifs et elle étudie les conséquences qu'aurait la combinaison des présentations relatives aux années-hommes et aux tarifs.

Le fond et la forme de la demande de révision des tarifs ont été établis par entente avec le Secrétariat du Conseil du trésor. Nous communiquerons avec lui pour mettre au point des lignes directrices et des instructions officielles et complètes.

OBSERVATIONS ET RECOMMANDATIONS

- Les besoins prévus d'années-hommes du service d'exploitation du Fonds renouvelable des approvisionnements, qui sont liés aux prévisions de dépenses de l'année en cours, devraient figurer dans le Budget principal des dépenses avec ces prévisions de dépenses.
- Les tarifs appliqués pendant l'année financière 1975-1976 devraient être révisés pendant l'année en fonction des objectifs de seuil de rentabilité.

- La direction devrait décider avec le Conseil du trésor si les tarifs des services déficitaires devraient être révisés ou s'il faudrait établir de nouveaux arrangements avec les ministères clients de façon à atteindre le seuil de rentabilité.
- On ne s'est pas encore entendu sur divers frais, totalisant \$1.5 million, pour des services à fournir en 1975-1976 par un organisme à un autre au sein de l'administration des approvisionnements.

On devrait décider de l'imputation de ces frais et s'entendre sur la nécessité des ressources correspondantes.

COMMENTAIRES DU MINISTÈRE

Le Budget principal des dépenses indique le nombre des années-hommes autorisées par le Conseil du trésor plutôt que les besoins prévus à ce titre. L'administration des approvisionnements pourrait, uniquement à titre de renseignement, faire figurer les besoins prévus d'années-hommes dans le Budget principal des dépenses. Nous devrions toutefois négocier cette question avec le Conseil du trésor.

L'objectif de seuil de rentabilité établi pour le Fonds renouvelable des approvisionnements est revu chaque année dans le cadre de la révision des tarifs. Cette dernière est une opération complexe, qui demande beaucoup de temps et d'efforts de la part des ministères clients, de l'administration des approvisionnements et du Conseil du trésor. Il serait extrêmement difficile de réviser les tarifs pendant l'année en fonction des écarts positifs ou négatifs du volume des opérations par rapport aux prévisions, du fait que souvent un écart négatif au cours d'un trimestre donné est compensé par des excédents imprévus plus tard dans l'année financière. Ces problèmes de variation dans le temps s'expliquent fréquemment par les difficultés de mouvements de caisse rencontrées par les ministères clients, qui les corrigent au cours de l'année. En outre, les ministères clients auraient beaucoup de mal à évaluer le prix des services de l'administration des approvisionnements si les tarifs changeaient plus d'une fois l'an. Étant donné les fluctuations de prix qui modifient les taux de rendement, nous avons pour règle de consentir des remises dans certains secteurs.

La direction, de concert avec le Conseil du trésor, prend en effet des mesures pour décider le maintien ou la suppression des services qui restent déficitaires. Cette étude se fait normalement à l'occasion de la révision annuelle des tarifs.

L'imputation des frais qui s'élevaient au début à \$1.5 million et qui figurent dans les budgets d'exploitation de 1975-1976 est décidée, de sorte que ces frais n'auront pas de répercussions importantes sur les besoins en ressources de l'administration des approvisionnements.

OBSERVATIONS ET RECOMMANDATIONS

- Il faudrait étudier les ressources en années-hommes des budgets d'exploitation afin de déterminer les cas où on pourrait renforcer les contrôles, car il est peu probable que la totalité des années-hommes prévues puisse être utilisée.

RAPPORTS FINANCIERS

- Les méthodes de traitement des opérations financières et de production des données financières par ordinateur devraient être simplifiées pour que les rapports sortent en temps opportun et que les conciliations soient plus faciles.
- Il faudrait cesser de produire l'état des gammes de produits à moins d'arriver à en améliorer l'exactitude et l'utilité pour les gestionnaires d'exploitation du service de l'approvisionnement scientifique et technique et du service de gestion de l'organisation, du fait que ces services disposent d'autres rapports appropriés.
- Les rapports financiers produits par ordinateur sont envoyés à la division des services de comptabilité générale et aux conseillers en gestion financière avant d'être communiqués aux gestionnaires d'exploitation.

Ces rapports devraient être communiqués directement aux gestionnaires d'exploitation par la direction des services de rapports financiers au lieu d'être diffusés par l'intermédiaire d'autres groupes.

- Les agents administratifs et les équipes financières des directions devraient être chargés de rassembler les informations de comptabilité d'exercice nécessaires à l'établissement des états de fin de mois.

COMMENTAIRES DU MINISTÈRE

Dans le système actuel de rentabilisation, les gestionnaires doivent contrôler leurs dépenses en même temps que les revenus réels, de façon à demeurer à l'intérieur de leur marge d'exploitation autorisée. Nous contrôlons par ricochet l'utilisation des années-hommes, puisque les coûts de salaires représentent l'essentiel des dépenses d'exploitation. Le comité de gestion étudie chaque mois les effectifs globaux et l'utilisation des années-hommes pour veiller au respect de celles approuvées par le Conseil du trésor. De plus, au milieu de l'année financière, moment où le volume d'affaires et les besoins de ressources sont mieux connus, le comité de gestion passe en revue et modifie les années-hommes et dépenses prévues dans les budgets d'exploitation en tenant compte de celles approuvées par le Conseil du trésor.

Nous avons déjà effectué des études et amélioré les délais de production des rapports. Nous poursuivons nos efforts en vue de simplifier le système.

Cet état a été d'une utilité restreinte dans certains secteurs, mais il est indispensable dans d'autres du fait que certains des renseignements qu'il donne ne se retrouvent dans aucun autre rapport de gestion; nous devons donc le conserver. L'amélioration du codage a permis d'en accroître l'exactitude et l'utilité.

Nous sommes d'accord. Nous prenons les mesures voulues pour faire directement la distribution lorsqu'elle est possible.

Nous sommes d'accord en principe. À l'heure actuelle, il est difficile d'obtenir des renseignements qui soient complets, correctement codés et produits en temps voulu. Nous nous efforcerons de mettre au point un système qui remédie à ces difficultés.

OBSERVATIONS ET RECOMMANDATIONS

- Il faudrait effectuer une étude afin de savoir pourquoi la déclaration des frais de transport et de déplacement est faite tardivement dans les états financiers et pourquoi certaines directions désirent tenir leur propre registre de frais de déplacement.
- Le traitement des ajouts et modifications apportés à la paie prend beaucoup de temps. Ces délais nuisent à l'exactitude des états financiers produits.

Il faudrait effectuer une étude afin de déterminer les causes des retards de traitement des mutations de personnel.

- Il faudrait adopter une méthode unique de déclaration des prix d'acquisition dans les états financiers des gestionnaires d'exploitation afin de ne plus perdre de temps à discuter de cette question.
- Il faudrait charger une personne ou un service de concilier chaque mois les rapports de gestion financière avec le grand livre du Fonds renouvelable des approvisionnements, et mettre au point des méthodes de conciliation.
- Il faudrait déterminer la nature et la portée du double emploi dans la préparation des rapports financiers et l'opération des systèmes comptables, et éliminer le double emploi.
- Il faudrait faire une comparaison annuelle du coût des stocks et des coûts de remplacement pour les articles de grande valeur afin d'évaluer l'incidence des décisions d'achat sur la situation et les opérations financières du Fonds renouvelable des approvisionnements. Cette pratique s'écarterait de l'usage qui consiste à inscrire les stocks à leur prix moyen. Conformément aux principes comptables généralement reconnus et puisque le Fonds renouvelable des approvisionnements est un organisme quasi commercial, il faudrait comptabiliser les stocks au prix coûtant ou au prix du marché (c'est-à-dire au coût de remplacement), en choisissant le moins élevé des deux, dans les états financiers annuels du Fonds.

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord.

Des agents des finances et du personnel effectueront une étude afin de réduire le temps actuellement nécessaire au traitement des documents.

En raison des points-d'arrêt normaux de fin de mois et des rejets par l'ordinateur, les rendements réels des marchés et les revenus estimatifs produits par les services d'exploitation, par rapport aux revenus réellement facturés, varient toujours dans une certaine mesure. Si les écarts sont importants, les revenus calculés selon la comptabilité d'exercice figurent dans les états financiers destinés à la haute direction.

Nous sommes d'accord. Ces méthodes sont en cours d'élaboration et de mise en oeuvre.

Nous ferons une étude des rapports financiers pour éviter tout double emploi.

Nous sommes d'accord. Lorsque surviendront des réductions substantielles quant aux prix des articles de grande valeur, nous dévaluerons le stock.

OBSERVATIONS ET RECOMMANDATIONS

- Les stocks de pétrole figurant au bilan du Fonds renouvelable de la production de défense au 31 mars 1975 devraient être inscrits à la baisse selon la valeur du marché à cette date. Ce redressement nécessitera un débit supplémentaire d'environ \$3.8 millions, au titre des opérations.

COMMENTAIRES DU MINISTÈRE

Les stocks de pétrole ont été comptabilisés conformément à la politique du Ministère. Ils ont été inscrits au bilan au prix coûtant, et la différence entre celui-ci et le prix du marché a été mentionnée dans les notes accompagnant les états financiers. À l'avenir, les dévaluations importantes des stocks figureront dans les états de l'année en cours.

MINISTÈRE DES APPROVISIONNEMENTS ET SERVICES

SERVICES

Observations et recommandations en date du mois de juin 1975

Commentaires du Ministère en date du mois d'août 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

ORGANISATION FINANCIÈRE/ COMPTABLE

- Les comités de gestion des services opérationnels et de gestion du Ministère devraient donner suite aux recommandations qu'ils étudient actuellement à propos de la réorganisation de la direction du contrôleur en vue:
 - d'officialiser les liens hiérarchiques actuels au sein des services opérationnels;
 - de renforcer le poste du conseiller en gestion financière des services de gestion et d'améliorer ainsi la qualité des services financiers;
 - de soumettre à une autorité fonctionnelle le personnel administratif qui exerce des attributions financières; et
 - de raffermir les contrôles internes.

D'accord. Une étude est en cours pour réaliser les objectifs mentionnés.

COMMUNICATION DES CONSIGNES FINANCIÈRES

- Il faudrait cataloguer les manuels financiers traitant des opérations du Receveur général ainsi que des pratiques financières internes du ministère des Approvisionnement et Services (M.A.S.). On devrait diffuser régulièrement ce catalogue aux employés des services financiers et administratifs appropriés au sein du Ministère afin de les informer de l'existence des manuels à leur disposition.
- On devrait poursuivre l'unification des manuels d'administration financière interne du Ministère.

Nous sommes d'accord qu'un catalogue des manuels financiers servirait de repère aux employés. Nous rédigerons et diffuserons largement ce catalogue.

Notre manuel de gestion financière, qui paraît en tomes successifs, constituera l'unification recommandée.

**DESCRIPTION DES FORMALITÉS
RELIÉES AUX PAIEMENTS ET AUX
RECETTES**

- Il faudrait réviser le manuel qui traite des procédés de paiements et de recettes afin d'y corriger les erreurs mineures et les omissions qu'il renferme et d'y expliquer un certain nombre d'étapes de vérification qui n'ont pas été exposées à fond.

Nous sommes à mettre à jour le manuel des formalités reliées aux paiements et aux recettes.

DÉLÉGATION DES POUVOIRS

- Il faudrait mettre en application les documents de délégation des pouvoirs d'autoriser les dépenses, l'exécution des marchés et les paiements, ainsi que le Ministre les a approuvés le 7 mai 1974, et clarifier les attributions de tous les délégataires de signature.
- On devrait attribuer les pouvoirs qu'accorde l'article 27 de la Loi sur l'administration financière aux fonctionnaires des directions qui sont les mieux en mesure d'attester l'exécution de tous les termes et conditions des marchés d'achat.

Nous avons mis en application les documents de délégation des pouvoirs d'autoriser les dépenses, l'exécution des marchés et les paiements, ainsi que le Ministre les a approuvés. Nous ferons une vérification générale pour nous assurer que tous les délégataires de signature connaissent leurs attributions.

Nous sommes en voie de déléguer le pouvoir de signer aux termes de l'article 27 aux personnes qui sont les mieux placées pour vérifier si le travail a été fait ou les services rendus.

CONTRÔLE DES PAIEMENTS

- En ce qui a trait aux paiements faits par les directions, il faudrait concevoir, décrire et appliquer des procédés permettant d'établir des usages uniformes au sein des directions et de corriger les faiblesses des contrôles internes touchant la vérification a priori et l'autorisation des factures.

Pour uniformiser tous les usages du Ministère, nous décrirons les usages de la direction en ce qui a trait à la vérification des marchandises reçues, la rédaction des demandes de chèque, etc..

CONTRÔLE DE LA PAIE - DIRECTIONS

- Il faudrait confier aux agents financiers des directions la responsabilité fonctionnelle d'établir et d'exercer des contrôles suffisants sur la préparation de la paie, la distribution des chèques et la comptabilité des frais reliés à la paie.

D'accord. Nous ferons une étude en vue de déterminer le partage des attributions entre la direction du personnel et celle du contrôleur en ce qui a trait à la responsabilité fonctionnelle de la paie.

CONTRÔLE DES RECETTES

- Les méthodes de vérification de la caisse, qu'il faudrait par ailleurs décrire officiellement, devraient comporter la comparaison régulière des registres de caisse recettes des préposés au courrier avec ceux du caissier afin d'améliorer le contrôle interne.

Nous comparons désormais tous les jours les registres de caisse recettes des préposés au courrier avec ceux du caissier. Nous en décrirons officiellement la méthode.

RÉGIME DE PENSIONS DU CANADA

- Il faudrait déposer à la date d'échéance les intérêts que rapporte le Régime de pensions du Canada afin de maximiser le rendement des placements et d'augmenter, de façon générale la liquidité de ce Fonds.

Nous avons décelé, analysé et commencé à régler ce problème avant de recevoir cette recommandation.

**CONTRÔLE DE L'ÉMISSION DES
CHÈQUES - RECEVEUR GÉNÉRAL**

- Il faudrait resserrer les contrôles internes exercés sur la signature des chèques et la garde des chèques en blanc dans certains bureaux de services afin de réduire les possibilités de détournements de fonds.
- Il faudrait clarifier la responsabilité de l'application des contrôles internes au paiement des factures des fournisseurs de façon qu'il n'existe aucun malentendu sur l'étendue des vérifications a priori à faire dans les ministères ou les organismes et celle qui est effectuée dans les bureaux régionaux des services du ministère des Approvisionnement et Services.
- Il faudrait confier à une unité organisationnelle des services opérationnels la tâche d'assurer que tous les bureaux régionaux des services du ministère des Approvisionnement et Services appliquent de façon uniforme les méthodes de contrôle interne.

Comme nous l'avons indiqué dans le rapport, nous avons mis au point et publié des méthodes détaillées reliées à la signature et à la garde des chèques en blanc. Nous enjoignons aux vérificateurs internes d'accorder une attention particulière à ce problème.

La direction des services de paiements a commencé à officialiser les ententes conclues avec chaque ministère intéressé.

La direction de la vérification de gestion et le Bureau des services de vérification effectuent des vérifications régulières. Cet examen indépendant constitue la meilleure façon d'assurer l'uniformité parmi les divers bureaux des services.

Toutefois, nous avons pris des mesures pour insister davantage sur les problèmes de sécurité. Nous sommes en voie de nommer des agents de sécurité dans chaque direction et bureau des services. À l'automne, nous donnerons des cours et instituerons un examen permanent des questions de sécurité.

**CONTRÔLE DE LA PAIE - DIVISION
CENTRALE DE LA PAIE**

- Il faudrait établir une méthode de contrôle des documents dans la section de l'établissement de la paie de la direction des services de rémunération en vue d'assurer l'intégrité des entrées aux dossiers principaux de la division centrale de la paie.

Nous projetons d'établir immédiatement un système de contrôle.

**CONTRÔLE DES ENTRÉES/SORTIES DU
TRAITEMENT DES DONNÉES**

- Il faudrait établir des normes de contrôle uniformes des systèmes informatisés, applicables à l'équipement central et régional d'ordinateur qui porteraient sur le processus de manutention des données à partir des documents d'entrée jusqu'au produit fini. Ces normes devraient décrire la marche à suivre par les usagers, les critères à respecter par les concepteurs des systèmes et les usages à suivre par les groupes chargés de faire fonctionner les ordinateurs et de contrôler les données.

Nous sommes tout à fait d'accord qu'il faudrait certainement contrôler davantage les entrées au système, ce qui améliorerait les sorties. Nous acceptons également que le fait de rapprocher de l'utilisateur la révision des données contribuerait à accélérer l'entrée des opérations sans erreurs, mais nous ne pouvons pas effectuer complètement ce changement avec le présent système, la révision finale ne pouvant se faire qu'au moment où nous comparons l'opération avec le dossier central principal.

Plusieurs projets d'examen des diverses méthodes d'entrée des données sont actuellement en cours. Aucun système ne peut répondre aux besoins de tous les ministères. Notre recherche a pour objet de trouver un moyen de rassembler et de contrôler les données d'entrée aussi près que possible de la source, ce qui élimine une manutention coûteuse des entrées.

DOCUMENTATION

- On devrait continuer à s'efforcer d'atteindre, quant à la documentation, un niveau de qualité minimum dans l'intérêt des usagers et du personnel d'exploitation.

Nous sommes d'accord avec cette analyse et cette recommandation. Nous travaillons constamment à ce problème à mesure que nous obtenons les ressources voulues et que nous modifions les systèmes; mais, pour réussir rapidement, il faudrait envisager des dépenses supplémentaires de plusieurs centaines de milliers de dollars. Étant donné les moyens restreints dont nous disposons, nous accordons la première priorité aux documents les plus délicats.

**COMPTABILITÉ ET FACTURATION DU
TRAVAIL**

- On devrait envisager d'adopter une ligne de conduite uniforme, pour ce qui est de la facturation aux ministères clients, de l'élaboration des systèmes d'informatique afin d'enrayer la tendance qu'ils ont de demander d'effectuer de légères modifications aux systèmes de rapports financiers sans se préoccuper de ce qu'il en coûte pour le faire.

Cette recommandation est conforme au principe de facturer les services de rapports financiers que le Centre d'application générale des services financiers a adopté. L'amélioration récente du système de rapports financiers rendra plus faciles les légères modifications des systèmes financiers. Nous poursuivrons notre travail en vue de mesurer l'utilisation par le client et de recouvrer le coût des systèmes financiers. Nous sommes en train d'améliorer le programme de comptabilité de l'ordinateur en vue de facturer les clients selon une base plus équitable.

CONTRÔLE DES STOCKS

- On devrait prendre des mesures pour contrôler les stocks des principaux approvisionnements consommables en vue d'établir une comptabilité des quantités matérielles non distribuées.

Nous avons maintenant établi des comptes provisoires de stocks et de livraisons d'approvisionnements consommables d'après des états d'utilisation. Nous prendrons d'autres mesures pour établir des méthodes de rapports et de comptabilisation des quantités matérielles non distribuées.

UTILISATION DES ORDINATEURS

- On devrait établir des normes d'utilisation et modifier les programmes existants en vue de produire des statistiques plus significatives sur l'utilisation des ordinateurs.

Les statistiques d'utilisation des ordinateurs dont nous disposons maintenant suffisent aux fins de la gestion pour l'exploitation des appareils. Nous reconnaissons qu'il faudrait produire régulièrement des statistiques qui seraient plus utiles à des fins de gestion en général. La planification de la préparation de ce genre de données est en cours. Nous avons signé avec le fabricant d'ordinateurs un marché qui prévoit des cours de perfectionnement pour nos opérateurs et nos gestionnaires.

VÉRIFICATION INTERNE

- Il faudrait réviser complètement l'étendue de la vérification financière afin d'assurer que tous les secteurs importants y sont assujettis et que les vérifications aient lieu assez fréquemment.
- La division de la vérification de gestion devrait faire des examens réguliers des programmes et des feuilles de travail du Bureau des services de vérification pour s'assurer que l'étendue des contrôles est conforme aux normes acceptées.

La vérification financière et tous les autres secteurs de contrôle font l'objet d'une révision qui assurera une étendue, une portée et une fréquence suffisantes.

Nous instituerons un examen régulier des programmes et des feuilles de travail du Bureau des services de vérification en vue d'assurer que l'étendue des contrôles est conforme aux normes acceptées.

COMITÉ DE VÉRIFICATION

- Il faudrait établir un comité de vérification pour s'assurer qu'on envisage de donner aux vérifications financières internes une étendue et une portée suffisantes.

Le comité supérieur de gestion assumera le rôle normalement attribué à un comité de vérification.

BUDGETS ET BUDGET PRINCIPAL DES DÉPENSES

- Il faudrait rectifier promptement les budgets pour qu'ils correspondent aux modifications autorisées par les comités de direction des secteurs et pour que les comparaisons subséquentes avec les dépenses réelles soient plus significatives.

Dès que la gestion aura pris une décision, on fera parvenir au conseiller financier des copies des minutes enregistrées. La description des méthodes actuelles de modification des budgets est suffisante et les rapports mensuels de gestion financière comprennent les rectifications budgétaires.

OBSERVATIONS ET RECOMMANDATIONS

- Il faudrait faire des analyses régulières des écarts entre les dépenses prévues au budget et les dépenses réelles, à tous les niveaux administratifs, d'après les critères de mesure de rendement qui sont disponibles ou qui sont en voie d'application dans les secteurs des services.

RAPPORTS FINANCIERS

- Les services opérationnels devraient procéder à la mise en route du projet INFORM, système de rapports de gestion fondé sur le coût des produits, destiné à répondre aux besoins de renseignements de tous les niveaux de la gestion.
- On devrait faire une étude qui permettrait de déterminer la possibilité d'incorporer, dans le système des services d'états financiers, les systèmes d'information supplémentaire qui existent dans les services de gestion.
- On devrait faire des efforts constants en vue d'améliorer les méthodes de comptabilité d'exercice de fin de mois pour que les rapports soient plus utiles aux gestionnaires des centres de responsabilité.
- Il faudrait que les employés du personnel chargés de traiter les données d'entrée de la paie comprennent l'incidence que les retards de traitement des données de mutations ont sur l'utilité des rapports financiers et il faudrait tout faire pour accorder une priorité plus élevée à l'enregistrement de ces opérations.
- Il faudrait établir des méthodes pour s'assurer que les destinataires des rapports provenant des services d'états financiers les examinent et relèvent les erreurs, omissions et inexactitudes qui s'y seraient glissées, afin qu'on puisse faire les corrections en temps opportun.
- Afin d'améliorer l'à-propos des rapports provenant des services d'états financiers, on devrait envisager de les adresser directement du centre des données aux gestionnaires des centres de responsabilité.

COMMENTAIRES DU MINISTÈRE

Nous sommes en train de rédiger les lignes directrices applicables à la préparation de rapports d'écarts pour tous les niveaux de la gestion. Il y aura une forme officielle de présentation des rapports d'écarts qui parviendront successivement aux niveaux de gestion les plus élevés.

La mise en route du système INFORM procède rapidement. Nous pouvons maintenant produire des rapports de prix de revient des produits. Nous mettons au point un programme de traitement du tarif des frais généraux et de l'ordinateur. Au début, les rapports de produits parviendront à tous les niveaux de la gestion.

Nous sommes d'accord qu'il faudrait entreprendre une étude de ce genre, quoiqu'il se fasse déjà une certaine intégration de systèmes aux services de gestion.

Nous avons préparé et diffusé de nouvelles méthodes de comptabilité d'exercice pour 1975-1976. Nous organisons des séances d'information et un contrôle des résultats afin d'améliorer la fiabilité et l'utilité de l'information.

D'accord. Nous formerons une équipe mixte des secteurs du personnel et des finances qui sera chargée d'établir des normes et des procédés de contrôle en vue d'accélérer le traitement des données d'entrée de la paie.

Nous sommes en train de préparer des lignes directrices qui établissent des méthodes de conciliation des données reliées aux budgets et aux dépenses pour tous les niveaux de la gestion. Nous ferons ressortir les omissions, les erreurs et les inexactitudes.

D'accord. Nous avons entamé, avec les services d'états financiers de la direction de la comptabilité du gouvernement du Canada, des pourparlers portant sur la diffusion directe des rapports financiers à tous les centres de responsabilité.

COMMISSION CANADIENNE DES TRANSPORTS

Observations et recommandations en date du mois de novembre 1974

Commentaires de la Commission en date du mois de juin 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DE LA COMMISSION

ATTRIBUTIONS FINANCIÈRES

- Certaines attributions financières sont vagues, et l'on ne suit pas les voies officielles de communication des consignes financières. De surcroît, il n'existe pas de manuel financier exhaustif.

Il conviendrait de remanier l'organigramme de la Commission, de façon qu'il y apparaisse que le conseiller financier relève du vice-président (Droit).

Le conseiller financier devrait se hâter de terminer le manuel financier de la Commission.

Pour des motifs de régie interne, nous ne remanierons pas notre organigramme. Le conseiller financier continue d'avoir directement accès auprès du président et du vice-président sur les questions de gestion financière, mais il relève officiellement du secrétaire de la Commission.

Nous prendrons des mesures pour compléter la rédaction du manuel de gestion financière.

COMITÉS DE GESTION

- La Commission a un comité consultatif de direction et un comité d'exploitation, mais l'un et l'autre sont demeurés inactifs. Il y aurait avantage à ce qu'ils participent effectivement à la planification financière et à l'examen des programmes.

La Commission devrait redéfinir le rôle de chacun de ses comités de gestion et les mettre en activité dans les meilleurs délais; ils devraient, entre autres, être chargés de fixer les plans et les objectifs à long terme, de définir les priorités et de procéder à l'examen critique des prévisions annuelles et du budget principal des dépenses.

Nous avons mis ces deux comités en activité à la fin de 1974. Ils assument les tâches recommandées.

PAIE

- Outre qu'elle est chargée de la classification, du recrutement et de la dotation en personnel, l'administration du personnel contrôle l'établissement de la paie et distribue les chèques; ce cumul de fonctions représente une séparation inadéquate des tâches et favorise la fraude.

OBSERVATIONS ET RECOMMANDATIONS

Ce sont les services financiers qui devraient être chargés des contrôles financiers exercés sur la paie et de la distribution des chèques directement aux employés plutôt que de les retourner à l'administration du personnel.

VÉRIFICATION A PRIORI DES SUBVENTIONS

- L'établissement et l'approbation des demandes de subvention relèvent des divers comités des transports. Le conseiller financier qui autorise les paiements en vertu des articles 26 et 27 de la Loi sur l'administration financière n'est pas en mesure d'en vérifier de façon indépendante la régularité et l'exactitude.

La Commission devrait établir au sein des services financiers un groupe autonome qui serait appelé à faire la vérification a priori des subventions.

DÉLÉGATION DES POUVOIRS FINANCIERS

- La délégation actuelle des pouvoirs est limitée et ne tient pas suffisamment compte des attributions financières du personnel supérieur d'exploitation. L'agent financier en chef exerce donc pour la même opération le pouvoir de dépenser et celui de payer.

La Commission devrait rédiger dès que possible un nouveau document de délégation qui donnerait aux gestionnaires des centres de responsabilité le pouvoir de dépenser, prévu à l'article 27 de la Loi sur l'administration financière, et laisserait aux services financiers le pouvoir de payer, prévu à l'article 26. En plus du nouveau document de délégation, la Commission devrait instaurer un système de cartes de spécimen de signature et tenir celles-ci à jour.

COMPTES À RECEVOIR

- Dans certains cas, la Commission a le droit de recouvrer une partie des subventions qu'elle a versées; ces rentrées ne sont pas soumises à des systèmes de contrôle financiers suffisants.

COMMENTAIRES DE LA COMMISSION

Conformément à cette recommandation et à la circulaire no 1975-29 du Conseil du trésor, nous transférerons le contrôle et la distribution des chèques de paie aux services financiers.

D'accord, mais il en résulterait un double emploi. Nous confierons donc la vérification à des vérificateurs internes qui feront rapport de ces questions au conseiller financier.

Nous avons commencé il y a un bon moment la rédaction du nouveau document de délégation; il devrait paraître au plus tard le 30 juin 1975.

Nous acceptons la recommandation; c'est le personnel actuel qui y donnera suite, avec l'aide du groupe de la vérification interne que nous mettrons sur pied sous peu.

CAISSE DES PASSAGES À NIVEAU

- Les sommes prévues au Budget des dépenses et virées en cours d'exercice à la Caisse des passages à niveau ne représentent pas les prévisions des sommes requises pour acquitter les engagements de la Caisse pendant l'année.

Au lieu de créditer la caisse des passages à niveau d'une somme annuelle fixe, la Commission devrait chaque année lui affecter un crédit qui correspondrait aux dépenses prévues pour l'exercice suivant et dont le solde deviendrait périmé à la fin de l'année.

Nous étudierons l'incidence de cette recommandation assez tôt pour que les changements éventuellement convenus se reflètent dans le budget principal des dépenses de 1976-1977.

**COMMANDE SUBSÉQUENTE À UNE
OFFRE PERMANENTE**

- Le contrôle des commandes subséquentes à des offres permanentes, auxquelles le ministère des Approvisionnements et Services procède pour certains biens et fournitures présente des lacunes qui pourraient entraîner des commandes non autorisées ou frauduleuses.

La Commission devrait exercer un étroit contrôle matériel sur la formule de commande subséquente à une offre permanente du ministère des Approvisionnements et Services, qui ne devrait être employée qu'avec l'assentiment des délégataires du pouvoir de dépenser, en vertu de l'article 27 de la Loi sur l'administration financière.

Cette recommandation a été suivie.

VÉRIFICATION INTERNE

- À l'heure actuelle, la Commission ne fait pas de vérification interne; elle ne peut donc pas faire d'examen indépendant des divers systèmes et méthodes en usage.

La Commission devrait soumettre régulièrement ses opérations à une vérification interne exhaustive.

Nous allons former un groupe de vérification interne dont les postes seront dotés en personnel en 1975-1976.

STRUCTURE PAR ACTIVITÉ

- La structure par activité qui figure dans le budget principal des dépenses est incompatible avec la structure des rapports destinés à la gestion et peut nuire à la compréhension et au contrôle parlementaire.

OBSERVATIONS ET RECOMMANDATIONS

La Commission devrait redéfinir sa structure par activité de façon à faire correspondre une activité majeure à chacun de ses comités. Les dépenses administratives qui ne sont pas directement imputables aux comités devraient être imputées à une activité distincte.

PRÉPARATION DU BUDGET

- Actuellement, les budgets proviennent des divers centres de responsabilité et sont regroupés à chaque palier jusqu'à la haute direction, sans que celle-ci ait au préalable fait part de ses plans, objectifs et priorités en matière d'utilisation des ressources.

La haute direction devrait établir chaque année ses plans et objectifs et les communiquer aux gestionnaires des centres de responsabilité avant qu'ils ne préparent leurs budgets.

PROVISIONS POUR SALAIRES

- La Commission n'arrive pas à utiliser toutes ses années-hommes autorisées. Par conséquent, dans le budget, les provisions pour salaires sont gonflées et ne correspondent pas à la réalité.

La Commission devrait fonder ses demandes de provisions pour salaires sur l'utilisation prévue et non sur le maximum autorisé de ses années-hommes.

EXAMEN ET ANALYSE DU BUDGET

- La haute direction ne fait ni ne fait faire périodiquement l'examen et l'analyse des écarts entre les dépenses prévues et les dépenses réelles des gestionnaires des centres de responsabilité.

Les services financiers devraient, de concert avec les gestionnaires des centres de responsabilité, analyser les rapports financiers mensuels destinés à la gestion et faire rapport à la haute direction des écarts qu'ils ont constatés.

CONTRÔLE DES AFFECTATIONS

- Le budget de chaque centre de responsabilité est considéré comme une sous-affectation des affectations approuvées par le Conseil du trésor. Les virements d'une sous-affectation à une autre ne sont pas tous communiqués aux centres de responsabilité et ne figurent pas dans leurs rapports financiers.

COMMENTAIRES DE LA COMMISSION

Nous modifierons notre structure par activité conformément à la recommandation. La nouvelle structure devrait être en place le 1er avril 1976.

Le comité consultatif de la direction, que nous avons récemment mis en activité, donnera suite à cette recommandation.

Nous acceptons la recommandation et sommes en train d'en fixer les modalités d'application.

Nous donnons immédiatement suite à cette recommandation.

OBSERVATIONS ET RECOMMANDATIONS

La Commission devrait mettre en place un mécanisme destiné à informer les gestionnaires, des virements de sous-affectations qui ont un effet sur les budgets des centres de responsabilité concernés. Ces changements devraient également se refléter dans les données budgétaires des rapports financiers destinés à la gestion.

CONTRÔLE DES ENGAGEMENTS

- Sauf dans le cas de la caisse des passages à niveau, il n'existe pas de comptabilité des engagements qui permette de certifier, pour chaque demande de paiement, «...qu'il existe... un solde disponible non grevé suffisant...» comme l'exige l'article 25 de la Loi sur l'administration financière.

La Commission devrait mettre sur pied un système pour les engagements qui s'appliqueraient aux marchés de service professionnel, aux locations et aux autres postes semblables.

MODIFICATIONS AUX SYSTÈMES COMPTABLES

- Le ministère des Approvisionnement et Services fournit des rapports financiers mensuels préparés selon les normes fixées par la Commission. Pour être valables, les données de sorties provenant de ces systèmes doivent être préparées conformément aux méthodes approuvées. Des personnes non autorisées peuvent modifier ces normes et l'ont déjà fait.

La Commission devrait désigner certaines personnes à un niveau supérieur, parmi le personnel comptable, qui effectueraient les modifications aux rapports financiers, et elle devrait donner instruction au ministère des Approvisionnement et Services de n'accepter de changements que de ces personnes.

UTILISATION DES ANNÉES-HOMMES

- Les données sur l'utilisation des années-hommes sont compilées à la main et n'entrent pas dans le système actuel d'information de la gestion.

La Commission devrait faire entrer ses données sur l'utilisation de ses années-hommes dans le système d'information de la gestion mis au point par le ministère des Approvisionnement et Services.

COMMENTAIRES DE LA COMMISSION

Cette recommandation sera mise en application pour l'exercice financier 1975-1976.

Cette recommandation sera mise en application pour l'exercice financier 1975-1976.

Cette recommandation a été suivie.

Nous étudierons la possibilité de donner suite à cette recommandation.

**DESCRIPTION DU SYSTÈME DE
COMPTABILITÉ**

- Le système de comptabilité de la Commission n'est ni décrit complètement ni représenté sur un graphique d'acheminement; les usagés ne peuvent donc pas comprendre le cheminement de l'information.

Les Services financiers devraient dresser une description officielle et documenter le système de comptabilité de la Commission et l'inclure dans le manuel financier de la Commission.

D'accord. Nous sommes en voie de terminer le manuel de gestion financière.

CODES/CHIFFRES D'INTERCLASSEMENT

- Les codes d'interclassement sont un bon moyen de réduire les erreurs d'entrée des systèmes de comptabilité, mais la Commission ne les emploie pas.

Les services financiers devraient utiliser les codes d'interclassement afin d'améliorer le traitement des données sur les dépenses.

Nous étudierons la possibilité de mettre ces codes en usage lorsque nous modifierons notre structure par activité.

COMMISSION D'ASSURANCE-CHÔMAGE

Observations et recommandations en date du mois de juillet 1975

Commentaires de la Commission en date du mois de juillet 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DE LA COMMISSION

ORGANISATION DES FINANCES ET DE LA COMPTABILITÉ

- En avril 1975, à la suite de modifications dans l'organisation de la Commission, on a attribué de nouvelles responsabilités au poste d'agent financier désigné.

La Commission devrait veiller de près à ce que les vastes responsabilités confiées au directeur exécutif des services ne nuisent pas à l'efficacité avec laquelle le service financier de la Commission fonctionne actuellement.

- Il serait bon que les descriptions de tâches exposent clairement les fonctions de direction qui incombent aux agents supérieurs des finances, de sorte que les changements qui surviennent au sein du personnel n'entraînent pas de modifications des relations au travail.

CONTRÔLE FINANCIER DES REVENUS ET DES DÉPENSES

- Il faudrait décrire et expliquer en détail les méthodes de comptabilité et de travail de bureau en vigueur au bureau principal, pour que les agents supérieurs des finances puissent ensuite les évaluer et en déterminer l'efficacité.
- Les commis des services financiers concilient divers comptes financiers, comme le registre des dépôts de caisse de la Commission, à ceux du ministère des Approvisionnement et Services. Ces conciliations ne sont vraisemblablement pas revues ou approuvées par des agents supérieurs des finances du bureau principal.

Dans l'optique d'une décentralisation accrue en faveur des régions, la Commission, à la suite d'une étude intensive de l'organisation, a apporté un certain nombre de changements à son organisation. Ainsi, en raison du regroupement d'un certain nombre de fonctions, le directeur exécutif des services assume la responsabilité des ressources humaines et financières. La Commission est d'avis que ce changement accroîtra son efficacité et son rendement.

Nous modifierons les descriptions de postes de façon à ce qu'elles décrivent plus clairement les responsabilités administratives courantes.

Ce travail est en préparation et devrait être terminé d'ici le 31 décembre 1975.

OBSERVATIONS ET RECOMMANDATIONS

Il y aurait lieu de mettre au point une méthode de révision qui garantirait que les conciliations soient vérifiées par des agents supérieurs des finances d'un niveau approprié et que l'évidence de cette révision soit apportée.

- Il y aurait avantage à ce que les agents supérieurs des finances établissent et fournissent, aux commis des services financiers, un modèle des conciliations les plus importantes et une liste de contrôle des conciliations à être préparées.
- La Commission devrait s'assurer qu'elle se conforme à sa politique de concilier à tous les mois ses soldes en caisse avec les registres du ministère des Approvisionnement et Services.
- La Commission devrait concilier périodiquement le solde de ses mandats de prestation en circulation avec les chiffres fournis par le ministère des Approvisionnement et Services.
- Le personnel financier du bureau principal devrait se procurer et vérifier les analyses périodiques, ventilées par classe d'âge, des mandats de prestation en circulation que fournit le ministère des Approvisionnement et Services.
- Les contrôles par comptes-d'ordre que tiennent les régions à l'égard des comptes à recevoir, au titre de prestations payées en trop, ne sont pas incorporés dans le grand livre et, aux fins du grand livre et de l'état financier, les paiements en trop sont inscrits selon la comptabilité de caisse seulement lorsqu'ils sont recouverts.

Il faudrait inscrire aux comptes de contrôle du grand livre, par région, les prestations payées en trop et les opérations y afférentes.

- Le fichier principal des prestations et des paiements en trop et les fichiers mécanographiques des sommes à recouvrer comprennent respectivement des registres auxiliaires des prestations versées et des registres auxiliaires des paiements en trop à recouvrer. Certains genres d'opérations sont inscrits au grand livre sans l'être aux registres auxiliaires; au niveau régional, d'autres genres sont assujettis à des périodes divergentes et certaines opérations sont enregistrées selon la comptabilité à partie simple.

COMMENTAIRES DE LA COMMISSION

Nous allons mettre en vigueur une méthode d'approbation officielle.

Nous allons mettre au point des méthodes de conciliation.

Nous allons adopter des méthodes de contrôle à cette fin.

À la conciliation annuelle viendront s'ajouter des conciliations trimestrielles des mandats de prestation en circulation.

Ce sont le groupe des systèmes et les préposés au contrôle des prestations de la Commission qui examinent les mandats de prestation en circulation. À ce contrôle s'ajoutera une revue périodique qui sera effectuée par le personnel financier.

Nous allons entreprendre une étude qui portera à la fois sur les systèmes et sur l'incidence financière de cette recommandation.

OBSERVATIONS ET RECOMMANDATIONS

Il y aurait lieu de modifier les pratiques de comptabilité financière de la Commission de façon à ce qu'il soit possible de consigner au cours de l'année toutes les opérations comptables inscrites dans le fichier principal des prestations et des paiements en trop, et d'instituer une méthode de point d'arrêt des comptes en fin de mois.

- Il y aurait lieu de concilier chaque mois le compte des prestations versées du grand livre de la Commission avec le fichier principal des prestations et des paiements en trop.
- Les livres de la Commission devraient comprendre des comptes de contrôle portant sur les avances consenties aux employés, et ces comptes devraient être conciliés périodiquement avec le registre auxiliaire.
- La Commission devrait s'assurer que les gestionnaires supérieurs des centres de paie régionaux contrôlent la conciliation des principaux imprimés d'ordinateur.
- Le manuel financier de la Commission devrait contenir des instructions à l'égard de la paie, instructions qui s'appliqueraient à l'ensemble de la Commission mais qui pourraient également être adaptées selon les besoins des régions.

RAPPORTS FINANCIERS

- Les rajustements négligeables de la période précédente devraient figurer dans l'état des revenus et des dépenses de la Commission. Si la méthode actuelle reste en vigueur, il faudrait rectifier l'état comparatif de façon à ce qu'il rende compte des rajustements.
- L'état du déficit devrait comprendre des chiffres d'ordre comparatif.
- Les notes qui accompagnent les états financiers devraient rendre compte en détail des changements apportés aux comptes à recevoir à la suite de paiements en trop de prestation ainsi que du calcul de la somme susceptible d'être remboursée par le gouvernement du Canada.

COMMENTAIRES DE LA COMMISSION

Nous allons entreprendre une étude qui portera à la fois sur les systèmes et sur les implications financières de cette recommandation.

La suite qu'on donnera à cette recommandation sera fonction des résultats de l'étude annoncée ci-dessus.

Nous prendrons les mesures nécessaires pour garantir le respect du règlement exigeant la tenue de comptes de contrôle à l'égard des avances consenties aux employés.

Nous allons mettre en vigueur des méthodes d'approbation officielles.

Ces instructions viendront s'ajouter au manuel financier de la Commission.

Cette question est l'une de celles qui feront l'objet d'une étude des méthodes de comptabilité qu'effectueront conjointement des représentants du Bureau de l'Auditeur général et de la Commission.

Voir ci-dessus.

Voir ci-dessus.

COMMISSION DE LA FONCTION PUBLIQUE

Observations et recommandations en date du mois de juin 1975

Commentaires de la Commission en date du mois d'août 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DE LA COMMISSION

PERSONNEL DE GESTION FINANCIÈRE

- La vive croissance des exploitations de la Commission, combinée à l'augmentation relativement limitée en nombre et en qualifications du personnel financier ainsi qu'à la complexité croissante de la fonction financière au sein du gouvernement, fait que la fonction financière à la Commission n'est pas suffisamment forte.
- La Commission devrait veiller à disposer d'un personnel financier compétent, en nombre suffisant pour remédier aux faiblesses du système actuel de gestion et de contrôle financiers, selon les indications du présent rapport.

Le titre officiel de la division chargée de la fonction financière est 'Division du service des finances et de l'administration'. Cependant, par écrit ou verbalement, on parle presque toujours de la division de l'administration, ce qui ne tient aucun compte de l'importance primordiale de la fonction financière.

On devrait insister sur le titre complet de la division du service des finances et de l'administration.

- La Commission devrait établir le poste de directeur général du service des finances et de l'administration, qu'elle confierait à une personne possédant les compétences voulues en gestion financière. Un autre poste nouvellement établi, celui de directeur des finances, devrait avoir pour titulaire un expert-comptable expérimenté.

La fonction financière, à la Commission, fait l'objet d'une étude intensive qui débouchera sur une réorganisation. Un premier pas a été fait avec l'établissement du poste de directeur exécutif dont la principale responsabilité consiste à présider le Comité du budget, nouvellement établi, et à garder une vue d'ensemble de la gestion des finances à la Commission.

Nous donnerons suite à la recommandation en 1975-1976.

La fonction financière à la Commission fait actuellement l'objet d'un examen approfondi qui débouchera sur une réorganisation. Un premier pas a été franchi avec la création du poste de directeur exécutif dont la principale responsabilité consiste à présider le Comité du budget, nouvellement établi, et à garder une vue d'ensemble de la gestion des finances à la Commission.

FORMATION ET PERFECTIONNEMENT

- Les commis formant le personnel de soutien des directions et divisions reçoivent une formation financière en groupe. Cependant, les agents supérieurs des finances ne suivent pas les besoins particuliers de formation de chaque personne en la matière.

On devrait confier aux conseillers en gestion financière la responsabilité de veiller à ce qu'une formation satisfaisante soit donnée au personnel de soutien financier des directions et divisions.

- Les conseillers en gestion financière devraient participer à l'examen du rendement du personnel accomplissant des fonctions financières dans les directions et divisions.

Nous donnerons suite à la recommandation en 1975-1976.

Cette recommandation sera appliquée lors des prochains examens du rendement.

**DÉSIGNATION DES CENTRES DE
RESPONSABILITÉ**

- Un grand nombre des centres de responsabilité énumérés dans le manuel des méthodes sont en fait des centres de coûts, en ce sens qu'ils n'ont pas la maîtrise de leurs propres budgets.

Il faudrait revoir la structure des codages financiers afin d'établir une distinction entre les centres de coûts et les centres de responsabilité.

- Ces dernières années, le nombre de centres de responsabilité à proprement parler a nettement augmenté à la Commission. Une délégation excessive des responsabilités budgétaires tend à limiter exagérément la marge de manœuvre financière sans offrir d'avantages compensatoires réels.

La Commission devrait établir des politiques régissant la mesure dans laquelle les responsabilités budgétaires peuvent être déléguées.

Nous donnerons suite à la recommandation au début de l'année financière 1976-1977.

Nous établirons ces principes et les mettrons en oeuvre au début de l'année financière 1976-1977, puis nous examinerons le nombre de centres de responsabilité et l'étendue des pouvoirs délégués.

**COMMUNICATION DES RÈGLES
FINANCIÈRES**

- La Commission devrait élaborer dès que possible un manuel financier complet.

Nous travaillons présentement à ce manuel financier, qui devrait être achevé dans le courant de 1975-1976.

OBSERVATIONS ET RECOMMANDATIONS

- On devrait instaurer un système de numérotage qui faciliterait le contrôle et la communication des conseils, explications et instructions financiers publiés par la division du service des finances et de l'administration à l'intention des divers services de la Commission.

DIVISION DES FONCTIONS FINANCIÈRES CONCERNANT LE FONDS RENOUVELABLE

- Le conseiller en gestion financière auprès de la direction du perfectionnement dirige un personnel d'environ 30 personnes chargées du contrôle financier, d'une part, d'un important fonds renouvelable (celui du bureau de perfectionnement et de la formation du personnel) et, d'autre part, d'une importante fraction des crédits de la Commission, notamment ceux des cours de langue. En outre, ces personnes doivent tenir certains des registres comptables du fonds renouvelable.

La large participation du conseiller en gestion financière de la direction générale du perfectionnement l'empêche de remplir pleinement, à l'heure actuelle, son important rôle consultatif. La centralisation des responsabilités opérationnelles améliorerait ces dernières et permettrait de concentrer les compétences correspondantes.

Sauf en ce qui concerne le conseiller en gestion financière et son personnel immédiat de soutien, le personnel financier actuellement détaché auprès de la direction générale du perfectionnement devrait être transféré aux services financiers (division du service des finances et de l'administration).

- Le contrôle du fonds renouvelable et des registres financiers des crédits par les mêmes personnes risque d'entraîner une affectation des coûts, qui tiendrait trop compte de la disponibilité de fonds.

Les registres financiers du fonds renouvelable du bureau du perfectionnement et de la formation du personnel devraient être tenus par une équipe distincte au sein des services financiers.

COMMENTAIRES DE LA COMMISSION

Nous donnerons suite à la recommandation dans le courant de 1975-1976.

Nous acceptons de dissocier la gestion du fonds renouvelable et l'affectation de crédits et une étude d'organisation est en cours.

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**ATTRIBUTIONS DES POUVOIRS
FINANCIERS**

- La délégation du pouvoir de payer, en application de l'article 26 de la Loi sur l'administration financière, pour l'autorisation des dépenses imputées aux crédits par des pièces de journal, devrait être limitée aux agents supérieurs des finances.
- On devrait mettre au point et décrire au manuel financier des politiques et méthodes permettant de vérifier périodiquement les délégations des pouvoirs de signature, afin de veiller à la suffisance des contrôles et à la tenue à jour des cartes spécimen de signatures.
- En application des recommandations d'un rapport de la direction de la politique administrative, Secrétariat du Conseil du trésor, la Commission a délégué en 1974 aux centres de responsabilité le pouvoir de délivrer les certificats d'engagement, aux termes de l'article 25 de la Loi sur l'administration financière. Actuellement, environ 225 services sont reconnus comme des centres de responsabilité à la Commission. Le pouvoir de payer aux termes de l'article 26 de la Loi est actuellement exercé au niveau de Conseiller en gestion financière. On souffre d'un manque de personnel qualifié et de documents financiers sûrs pour effectuer les tâches aux niveaux fixés actuellement.

Pour les achats faits dans la région de la capitale, l'autorisation des certificats d'engagement et le pouvoir de payer prévus par les articles 25 et 26 de la Loi sur l'administration financière devraient être transférés aux services financiers (division du service des finances et de l'administration).

Nous donnerons suite à la recommandation dans le courant de 1975-1976.

Nous donnerons suite à la recommandation dans le courant de 1975-1976.

Cette recommandation fera l'objet de plus amples discussions.

VÉRIFICATION A PRIORI

- Toujours à la suite de l'étude faite en 1974 par la direction de la politique administrative, Secrétariat du Conseil du trésor la vérification a priori a été déléguée aux centres de responsabilité. L'exécution des responsabilités prévues par l'article 26 de la Loi sur l'administration financière dépend plus d'une bonne vérification a priori que les tâches prévues par l'article 27. En outre, le système actuel ne permet pas une indépendance suffisante dans l'exécution des vérifications a priori.

Concernant les achats dans la région de la capitale, la vérification a priori devrait être retransférée aux services financiers (division du service des finances et de l'administration).

- Les méthodes actuelles de contrôle de la qualité (vérification des méthodes et des opérations) devraient être remplacées par des vérifications par sondage faites par le groupe de la vérification interne.
- L'exécution de la vérification a priori est indiquée par les initiales du commis sur la facture du fournisseur. On ne peut pas savoir si tous les sondages exigés ont été effectués ni s'ils l'ont été par un certain nombre de personnes ou seulement celle dont les initiales sont apposées.

Toutes les personnes participant à la vérification des paiements devraient apposer leurs initiales sur les documents correspondants afin d'indiquer leur responsabilité pour vérifications faites.

CONTRÔLE COMPTABLE INTERNE

- Il n'existe aucune méthode écrite de mise en lots et de contrôle des documents envoyés à l'ordinateur du ministère des Approvisionnements et Services ou au centre de gestion de l'information de la Commission. Les totaux des sorties ne sont pas comparés à ceux des entrées sauf lorsqu'on constate une difficulté à concilier.

Cette recommandation fera l'objet de plus amples discussions.

Nous donnerons suite à la recommandation dès que nous aurons formé un groupe de vérification interne dans le courant de 1976-1977.

Nous donnerons suite à la recommandation dans le courant de 1975-1976.

OBSERVATIONS ET RECOMMANDATIONS

On devrait mettre au point des règles écrites, qui seraient incorporées au manuel financier, en matière de traitement et de contrôle des lots des documents envoyés au ministère des Approvisionnementnements et Services ainsi qu'au système interne de traitement des données.

- Le ministère des Approvisionnementnements et Services ne vérifie que les pouvoirs découlant de l'article 26; il n'y a pas de méthode prévue, à la Commission de la Fonction publique, pour vérifier la régularité des pouvoirs de dépenser et de payer avant qu'on présente les demandes de chèques. Par conséquent, on pourrait faire passer des faux documents dans le circuit de paiement et détourner des fonds publics.

Un employé ne participant pas à l'instruction et à l'approbation des demandes de chèques devrait vérifier la régularité des signatures reliées aux pouvoirs de dépenser et de payer juste avant que les demandes de chèques soient présentées au ministère des Approvisionnementnements et Services.

PAIE

- La concentration des fonctions du personnel et de la paie à la division du personnel de la Commission représente une importante faille du système de contrôle interne, de nature à entraîner des erreurs, voire des détournements de fonds publics.

On devrait confier à des agents financiers la responsabilité des contrôles internes dans le domaine de la paie.

- Les chèques de paie sont envoyés aux employés de la division du personnel qui établissent les entrées pour la paie envoyée au ministère des Approvisionnementnements et Services.

Il faudrait, dans la division du personnel, mettre en place des contrôles empêchant les employés qui préparent les entrées de la paie pour le ministère des Approvisionnementnements et Services d'avoir accès aux chèques de paie.

- Périodiquement, la distribution des chèques de paie aux employés devrait être faite par le groupe de vérification interne.
- Le manuel financier devrait décrire les méthodes à suivre et les responsabilités engagées dans l'établissement, la distribution et l'inscription de la paie.

COMMENTAIRES DE LA COMMISSION

Nous donnerons suite à la recommandation dans le courant de 1975-1976.

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Nous donnerons suite à la recommandation dès que nous aurons formé le groupe de vérification interne dans le courant de 1976-1977.

Nous donnerons suite à la recommandation dans le courant de 1975-1976.

CHÈQUES POUR LES RÉGIONS

- Dans le système actuel, après les autorisations correspondant aux articles 25 et 27, les documents reliés à toutes les dépenses engagées dans les régions doivent être envoyés au bureau principal, pour recevoir l'autorisation prévue par l'article 26 et être mis en lots avant l'émission des chèques par le ministère des Approvisionnements et Services.

On devrait recourir aux services locaux d'émission de chèques du ministère des Approvisionnements et Services dès que les bureaux régionaux de la Commission disposeront des compétences financières exigées.

La gestion de la Commission a autorisé la création de postes dans les régions pour permettre l'émission de chèques. En raison de restrictions budgétaires, cela ne sera peut-être pas possible avant le 1er avril 1976.

REVENUS

- Les revenus du fonds renouvelable du bureau du perfectionnement et de la formation du personnel, qui représentent la quasi-totalité des revenus extérieurs de la Commission, se sont chiffrés à environ \$18 millions pour l'année financière terminée le 31 mars 1975. Les méthodes actuelles de contrôle, d'inscription et de dépôt des revenus ne sont décrites dans aucun manuel et sont inefficaces sur le plan du contrôle interne.

Il faudrait élaborer et incorporer au manuel financier des politiques et méthodes assurant le contrôle, l'inscription et le dépôt des revenus dans de bonnes conditions; et prendre des mesures pour assurer que ces méthodes soient respectées.

On a récemment achevé une étude détaillée de l'arrivée du courrier. Le traitement des revenus de la direction générale du perfectionnement fait actuellement l'objet d'un examen approfondi qui sera achevé en 1975-1976.

**COMPTES À RECEVOIR ET À PAYER DU
FONDS RENOUVELABLE**

- Les comptes à recevoir du fonds renouvelable du bureau du perfectionnement et de la formation du personnel s'élèvent pour l'année à quelque \$18 millions dont \$4 millions environ sont à recevoir en tout temps. Ces sommes représentent la quasi-totalité des comptes à recevoir de la Commission provenant des entités extérieures. On ne tient pas de compte de contrôle des comptes à recevoir dans le grand livre du fonds, mais on établit les soldes des comptes à recevoir en fin de mois par totalisation du livre auxiliaire.

OBSERVATIONS ET RECOMMANDATIONS

Il faudrait établir, dans le grand livre du fonds renouvelable, un compte de contrôle des comptes à recevoir qui devrait être concilié à chaque mois avec le livre auxiliaire.

- La liste mensuelle des comptes à recevoir devrait être dressée par classe d'âge.
- La répartition des responsabilités concernant les comptes à recevoir devrait garantir la division des tâches suivantes: tenue du compte de contrôle au grand livre auxiliaire, et la réception des paiements.
- La comptabilité d'exercice des revenus du Fonds renouvelable contrairement à l'insuffisance de comptabilité d'exercice pour les comptes à payer cause un manque d'appariement des coûts et des revenus qui nuit à la validité des rapports de gestion.

Les biens et services reçus par le fonds renouvelable devraient être inscrits selon la comptabilité d'exercice.

IMMOBILISATIONS

- On devrait établir et incorporer au manuel financier des politiques et méthodes concernant le contrôle des immobilisations ainsi que la détection des biens excédentaires par rapport aux besoins; il faudrait en outre prendre des mesures pour veiller au respect de ces méthodes.
- Toutes les immobilisations devraient être comptées, marquées et inscrites dans un registre d'immobilisations avant le déménagement de la Commission.

VÉRIFICATION INTERNE

- Il n'existe actuellement aucune équipe de vérification interne à la Commission.

La Commission devrait former une équipe de vérification interne.

COMMENTAIRES DE LA COMMISSION

Le bureau des conseillers en gestion a effectué une étude portant notamment sur ce point; nous y donnerons suite en 1975-1976.

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Le Bureau des conseillers en gestion a effectué une étude portant notamment sur ce point; nous y donnerons suite en 1975-1976.

Nous donnerons suite à la recommandation le 1er avril 1976.

Nous donnerons suite à la recommandation dans le courant de 1975-1976.

Nous avons donné suite à la recommandation. Un inventaire est en cours; il devrait être terminé d'ici le 1er octobre 1975.

L'établissement d'une équipe de vérification interne a été approuvé par la direction de la Commission, mais le manque des ressources nous oblige à attendre jusqu'à l'année 1976-1977.

PRIORITÉS DE LA HAUTE DIRECTION

- La Commission a bien établi une conférence annuelle du Comité de gestion afin d'étudier et de définir ses priorités pour les années à venir; cependant, la communication de ces priorités à tous les niveaux participant au processus budgétaire s'est faite de façon variable selon les services.

Avant la préparation des prévisions de programme et la gestion par objectifs, il faudrait communiquer par écrit, à tous les niveaux participant au processus budgétaire, les priorités de la haute direction pour les années à venir, avec des détails suffisants pour fournir une orientation utile.

Nous avons utilisé cette formule l'an dernier et nous la reprendrons en l'améliorant pour établir les prévisions des programmes de 1977-1978.

**PRÉPARATION DES PRÉSENTATIONS
BUDGÉTAIRES**

- La Commission devrait mettre au point et incorporer au manuel financier la marche à suivre dans tous les services pour préparer les prévisions de programme, le Budget des dépenses et les budgets d'exploitation; on devrait notamment décrire de façon générale le rôle de chacun des niveaux hiérarchiques de la Commission.
- Il faudrait mettre au point des politiques et méthodes officielles concernant l'examen, la critique et l'approbation des présentations budgétaires faites au Conseil du trésor ainsi que les documents à l'appui.

Nous donnerons suite à la recommandation en 1975-1976.

Nous donnerons suite à la recommandation en 1975-1976.

BUDGETS D'EXPLOITATION

- À l'heure actuelle, la préparation du Budget principal des dépenses par la Commission a deux objectifs: présentation au Conseil du trésor pour justifier les ressources demandées, budgets détaillés pour chaque élément d'activité. La préparation du budget principal, fixée strictement selon les règles du Conseil du trésor, ne répond pas nécessairement aux exigences d'un budget d'exploitation réaliste.

Il faudrait établir les budgets d'exploitation dès que possible au début de l'année correspondante de façon qu'ils tiennent compte d'estimations réalistes des dépenses.

Nous avons déjà pris des mesures dans ce domaine et nous donnerons entièrement suite à la recommandation lors de la préparation des budgets d'exploitation des années financières 1976-1977 et suivantes.

OBSERVATIONS ET RECOMMANDATIONS

- Les budgets d'exploitation, sauf ceux de la division des finances et de l'administration, ne sont pas ventilés en budgets mensuels. On ne peut donc effectuer une analyse significative des écarts et la direction ne dispose pas de points de repère auxquels comparer les résultats observés.

Il faudrait ventiler les budgets d'exploitation en budgets mensuels et préparer une analyse complète des écarts chaque mois.

CONTRÔLE DES ENGAGEMENTS ET DES AFFECTATIONS

- Toujours à la suite de l'étude faite en 1974 par la direction de la politique administrative, Secrétariat du Conseil du trésor, la tenue des registres de contrôle des engagements a été confiée aux centres de responsabilité.

Pour les centres de responsabilité de la région de la capitale, la tenue des registres de contrôle des engagements devrait être confiée aux services financiers de la division du service des finances et de l'administration.

- La partie «dépenses prévues» du rapport comparatif budget-dépenses ne représente qu'une extrapolation des dépenses accumulées depuis le début de l'année. Ces prévisions sont faites selon le principe erroné que les dépenses se répartissent également sur les douze mois de l'année d'exploitation. Il en résulte des informations qui risquent d'être trompeuses et de motiver de mauvaises décisions de la direction.

On devrait améliorer la partie 'dépenses prévues' du rapport comparatif budget-dépenses afin d'y indiquer des estimations réalistes et bien fondées.

- Les divers centres de responsabilité sont autorisés à engager des fonds au-delà de leur budget pourvu que la direction ou division dans l'ensemble ne dépasse pas son plafond budgétaire. Il n'existe cependant aucune mesure permettant de vérifier le respect du plafond global de la direction ou division.

COMMENTAIRES DE LA COMMISSION

Nous donnerons suite à la recommandation lors de l'établissement des budgets d'exploitation des années financières 1976-1977 et suivantes.

Cette recommandation fera l'objet de plus amples discussions.

Nous donnerons suite à la recommandation en 1975-1976.

OBSERVATIONS ET RECOMMANDATIONS

On devrait mettre au point, incorporer au manuel financier et faire appliquer des politiques et méthodes concernant les engagements en trop de leurs fonds par les centres de responsabilité ainsi que la signature des certificats prévus à l'article 25 dans les cas d'engagements en trop.

- Il faudrait concilier en temps opportun les totaux de dépenses mensuelles produits par le ministère des Approvisionnements et Services, d'une part, et la Commission, d'autre part.

SYSTÈMES ET RAPPORTS FINANCIERS

- Les rapports financiers mensuels fournis à la direction ne présentent qu'un intérêt limité, les informations données n'étant ni assez complètes, ni assez précises, ni à jour.

La Commission devrait étudier dès que possible la façon de produire des rapports de gestion utiles, notamment en discutant avec le ministère des Approvisionnements et Services. Il faudrait solliciter le point de vue des divers gestionnaires et tenir compte de leurs besoins pour déterminer la forme des rapports.

- Le centre de gestion de l'information produit des rapports financiers mensuels destinés à la gestion. Cependant, le centre donne la priorité à la fonction de la dotation en personnel, ce qui est d'ailleurs son rôle prévu; par conséquent les rapports en question ne sont pas produits à des dates régulières et sont souvent distribués trop tard pour être utiles.

Il faudrait réétudier l'utilisation des ordinateurs du centre de gestion de l'information pour la production de rapports financiers. Il conviendrait d'examiner les autres formules possibles, comme le recours au ministère des Approvisionnements et Services et le mini-ordinateur N.C.R. qui sert actuellement au système de contrôle des affectations.

SYSTÈME DU FONDS RENOUVELABLE

- Le registre tenu à la Commission pour les avances reçues par le fonds renouvelable du fonds du revenu consolidé devrait être concilié chaque mois avec les comptes centraux tenus par le ministère des Approvisionnements et Services.

COMMENTAIRES DE LA COMMISSION

Nous donnerons suite à la recommandation en 1975-1976.

Nous donnerons suite à la recommandation en 1975-1976.

L'organisation des rapports du ministère des Approvisionnements et Services a fait l'objet de plusieurs mois de négociation. On s'active à remédier aux lacunes des rapports financiers et nous considérons cette tâche comme hautement prioritaire.

Le bureau des conseillers en gestion a terminé une étude portant sur l'ensemble de nos besoins en matière d'informatique; les recommandations correspondantes sont en cours d'application.

Nous donnerons suite à la recommandation en 1975-1976.

MINISTÈRE DES COMMUNICATIONS

Observations et recommandations en date du mois de février 1975

Commentaires du Ministère en date du mois de juin 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

RÉMUNÉRATION

- La rémunération et les avantages sociaux sont regroupés au bureau principal et sont complètement indépendants de la division des services financiers, ce qui rend le contrôle interne inefficace.

Il convient que la division des services financiers contrôle la comptabilité de la paie.

On a pris les mesures nécessaires pour assurer le contrôle de la comptabilité de la paie par la division des services financiers.

LIENS FONCTIONNELS

- Les liens fonctionnels entre le personnel financier des bureaux régionaux et les fonctionnaires supérieurs des finances et de l'administration du bureau principal devraient être documentés et communiqués à tous les intéressés.
- Les fonctionnaires supérieurs des finances et de l'administration devraient participer à la définition des responsabilités et à l'examen annuel du rendement de leurs subordonnés.

Ce lien fonctionnel est à l'étude; il sera documenté et transmis aux intéressés.

On a créé un comité d'étude pour l'évaluation des employés; il compte, parmi ses membres, le directeur général du personnel, des finances et de l'administration, le directeur des services administratifs et le directeur des finances.

MANUEL FINANCIER ET ADMINISTRATIF

- Il faudrait que le manuel de gestion financière comporte des renvois à la source d'autorisation, qu'il soit revu régulièrement et mis à jour.
- Un manuel de la gestion des fournitures et des immobilisations s'impose.

Le groupe qui s'occupe des systèmes et méthodes comptables se charge maintenant de tenir à jour régulièrement le manuel de gestion financière. On examinera l'opportunité d'ajouter des renvois à la source d'autorisation.

Nous constituons actuellement un manuel administratif à partir des systèmes d'exploitation actuels. Ce manuel comprendra la gestion des fournitures et des immobilisations.

CONTRÔLE DES DÉPENSES ET DES REVENUS

- Les bureaux régionaux tiennent leurs propres registres mais envoient au bureau principal, aux fins de contrôle, l'original des pièces justificatives des comptes à payer.

OBSERVATIONS ET RECOMMANDATIONS

Les bureaux régionaux devraient conserver l'original des pièces justificatives de leurs comptes à payer, et il faudrait mettre fin à la pratique de vérification a posteriori au bureau principal.

- Certains frais administratifs directs tels les contrats de location, les frais d'administration du ministère des Approvisionnements et Services et les frais afférents aux immobilisations devraient être imputés aux centres de responsabilité.
- La comptabilité des comptes à recevoir et des recouvrements est complètement décentralisée.

La division des services financiers devrait revoir son système de contrôle des comptes à recevoir et des recouvrements afin de s'assurer de leur exactitude et de leur perception.

- Il se peut que le laboratoire technique des télécommunications oublie de facturer certains travaux et qu'il exécute des travaux non autorisés par suite des déficiences du système des ordres d'exécution.

Le laboratoire technique des télécommunications devrait mieux contrôler l'utilisation des ordres d'exécution et la facturation ultérieure par l'emploi de documents numérotés d'avance.

- Le Ministère pourrait être tenu responsable des demandes de permis et des droits annuels du Conseil de la radio-télévision canadienne, sur lesquels il n'a aucun contrôle.

Les revenus du Conseil de la radio-télévision canadienne devraient être versés directement au Fonds du revenu consolidé.

STOCKS ET IMMOBILISATIONS

- Du personnel autonome devrait procéder à intervalles réguliers au dénombrement des stocks.
- Le Ministère devrait se fixer pour ligne de conduite d'obliger les gestionnaires à déclarer les éléments d'actif non utilisés.
- Les principaux comptes de stocks et d'immobilisations devraient être conciliés avec le montant des dépenses et des retraits pour l'année considérée.

COMMENTAIRES DU MINISTÈRE

Les comptes à payer régionaux sont maintenant vérifiés aux bureaux régionaux.

On procède à l'évaluation de l'imputation des frais afin d'établir si le système actuel se prête à la séparation et à la répartition des frais sans pour autant imposer au personnel actuel une somme de travail irréalisable.

On examinera cette question à la lumière de la normalisation des systèmes actuels.

On a pris des mesures pour modifier le système qui a cours actuellement au laboratoire afin de renforcer le contrôle.

On discutera cette recommandation avec le Conseil du trésor.

Nous acceptons le principe suggéré et nous ferons paraître dans notre prochain manuel administratif l'énoncé des méthodes précises que nous comptons employer.

Le manuel administratif en cours de préparation prévoit une ligne de conduite obligeant les gestionnaires à déclarer les éléments d'actif non utilisés.

Cette condition figurera dans le manuel administratif en cours de préparation.

OBSERVATIONS ET RECOMMANDATIONS

- Les stocks échappent au contrôle budgétaire et l'on ne tient pas compte de leur variation de niveau lors de l'établissement des budgets.

Il faudrait tenir compte des variations de niveau des stocks lors de l'établissement des budgets annuels.

VÉRIFICATION INTERNE

- Le vérificateur interne en chef relève du directeur des services financiers, ce qui pourrait restreindre l'étendue de sa vérification et la liberté de ses opinions.

Il convient que le vérificateur interne en chef relève d'un comité de vérification autonome, et qu'il reçoive ses directives de ce comité.

- Depuis la création du Ministère en 1969, on n'a effectué aucune vérification financière, autonome et complète, de la paie.

Il convient de procéder à brève échéance, au bureau principal, à la vérification de la rémunération et des avantages sociaux.

PRÉVISIONS DE PROGRAMME ET BUDGET PRINCIPAL DES DÉPENSES

- Il y a lieu d'instituer un service chargé d'évaluer et de revoir les programmes ou un comité chargé de revoir périodiquement les activités en cours ainsi que d'évaluer et de réexaminer les nouvelles activités.
- Avant l'établissement des budgets, les fonctionnaires supérieurs devraient fixer, documenter et diffuser les ordres de priorité et les lignes directrices.

PRÉVISIONS DE CAISSE ET CONTRÔLE DES ENGAGEMENTS

- Les engagements ne sont pas inscrits de façon uniforme dans les divers centres de responsabilité.

COMMENTAIRES DU MINISTÈRE

Le manuel administratif en cours de préparation contiendra les lignes de conduite à suivre en la matière.

Nous allons revoir les conditions de dépendance hiérarchique du vérificateur interne en chef. Nous avons créé un comité de vérification composé de représentants de la direction des services financiers, du ministère des Approvisionnement et Services et du centre de responsabilité soumis à la vérification.

On effectue actuellement, à intervalles réguliers, la vérification de la rémunération et des avantages sociaux.

On met actuellement sur pied une division de l'évaluation et de la révision des programmes, dont la tâche sera de réexaminer régulièrement toutes les activités en cours.

C'est ce qu'a fait la haute direction pour les prévisions de programme de l'année 1976-1977. Les ordres de priorité et les objectifs ont été fixés, documentés et diffusés aux gestionnaires des centres de responsabilité. On continuera de procéder ainsi à l'avenir.

Il faudrait normaliser le système parallèle de contrôle des engagements et les concilier mensuellement aux données que renferment les rapports du M.A.S.

RAPPORTS FINANCIERS

- Il convient de repenser le mode d'utilisation et de diffusion des rapports du M.A.S., et de mettre les gestionnaires au courant de ces rapports et de la somme de renseignements ainsi disponibles, en vue de les utiliser efficacement.
- Il y a lieu de revoir la méthode d'établissement de ces rapports afin d'éliminer les retards en matière de rapports mensuels et de correction des inscriptions.
- Les rapports financiers du M.A.S. ne présentent pas d'analyse significative et convenable des données financières en fonction des données non financières pertinentes tels les indices de production et de rendement et l'utilisation des années-hommes.

Le Ministère et le ministère des Approvisionnements et Services devraient revoir la teneur des rapports financiers afin d'obtenir un ensemble plus complet d'éléments de frais, ce qui permettrait d'élargir le champ d'application des indices de mesure quantitative et fournirait des données financières plus précises et plus appropriées à l'obtention d'un meilleur contrôle.

RAPPORTS ADMINISTRATIFS

- Il convient de revoir la teneur des états financiers et administratifs, leur emploi et leur diffusion afin d'éliminer le double emploi ou le chevauchement des renseignements. Il faudrait également faire l'évaluation de ces rapports afin de s'assurer que les données de base utilisées sont exactes et permettent la comparaison.

Nous sommes d'accord sur le fait qu'un système parallèle très ramifié paraît s'imposer, mais il est possible d'éviter le double emploi si le ministère des Approvisionnements et Services refond complètement son système, le rend plus souple, et facilite la communication de ses données, fournies en temps voulu.

Nous avons révisé notre système de diffusion et apporté les améliorations nécessaires dans ce domaine. Nous allons aussi prendre des dispositions pour mieux renseigner les gestionnaires sur la teneur de ces rapports et leurs possibilités d'emploi.

Cela relève du ministère des Approvisionnements et Services. Le manque de souplesse des états et la rigueur des calendriers sont le fait du M.A.S.

La connaissance de l'ensemble des éléments de frais permettrait d'élargir le champ d'application des instruments de gestion essentiels que sont les indices de mesure quantitative. L'établissement de ces données ne s'inscrit pas dans le système comptable actuel du gouvernement.

Nous allons étudier en profondeur les états financiers et administratifs, en tenant compte des observations et des recommandations de ce Rapport.

CONSEIL DE LA RADIO-TÉLÉVISION CANADIENNE

Observations et recommandations en date du mois de décembre 1974

Commentaires du Conseil en date du mois d'août 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU CONSEIL

AGENTS FINANCIERS

- Il y a lieu de préciser les attributions financières au sein du Conseil.

Le président devrait désigner, par écrit, le fonctionnaire supérieur des finances du Conseil ainsi qu'un poste d'agent financier par direction. Le document devrait en outre stipuler que les agents financiers des directions relèvent fonctionnellement du fonctionnaire supérieur des finances, de qui ils doivent accepter conseils et directives sur toutes les questions financières et comptables qui intéressent leur direction respective.

Nous acceptons et donnons immédiatement suite à la recommandation.

CONTRÔLE DES ENGAGEMENTS

- Les directions font des dépenses et des paiements sans que les engagements soient soumis à un contrôle qui permettrait de s'assurer qu'il y a suffisamment de fonds disponibles dans le crédit.

Le directeur de chaque direction devrait être avisé qu'il appartient désormais à sa direction, et plus précisément à son agent financier désigné, de délivrer les certificats d'engagements et d'en faire le contrôle financier au moyen de registres supplémentaires.

Chaque direction devrait établir et utiliser un système supplémentaire uniforme d'enregistrement des engagements.

Nous étudions actuellement la question du contrôle des engagements. Tout sera réglé à l'automne 1975.

AUTORITÉ DU MINISTRE

- Le Conseil relève du Secrétariat d'État aux termes de la Loi sur l'administration financière, mais il rend compte au Ministre des Communications aux fins de la Loi sur la radiodiffusion.

OBSERVATIONS ET RECOMMANDATIONS

Le Conseil devrait obtenir un décret du gouverneur en conseil qui désignerait le Ministre des Communications comme le ministre compétent aux fins de la Loi sur l'administration financière.

ATTRIBUTIONS DU FONCTIONNAIRE SUPÉRIEUR DES FINANCES

- Le directeur des services financiers et administratifs exerce bon nombre d'attributions étrangères aux finances; son emploi du temps et ses efforts sont donc partagés.

Le Conseil devrait créer un poste de directeur adjoint à la planification et au contrôle financiers et le combler dans les meilleurs délais.

COMITÉS DE GESTION

- Il y a lieu d'améliorer les voies de communication entre les agents financiers et les directions d'exploitation.

Le fonctionnaire supérieur des finances désigné devrait siéger au comité d'exploitation. Les agents financiers désignés par les directions devraient assister aux réunions hebdomadaires de la direction des services financiers et administratifs.

MANUEL FINANCIER

- Le Conseil a fait des démarches en vue de la rédaction d'un manuel financier. Il devrait en hâter l'achèvement.

DÉLÉGATION DES POUVOIRS FINANCIERS

- La délégation des pouvoirs financiers est périmée, ne porte pas la signature du Secrétaire d'État actuel et confie exclusivement au président et au personnel de la direction des services financiers et administratifs les pouvoirs de dépenser et de payer.

Le ministre compétent et le président devraient approuver et signer un document mis à jour de délégation des pouvoirs.

Le Conseil devrait chaque année passer en revue les délégations de signature et en faire rapport au président.

Les agents compétents des directions devraient être investis des pouvoirs de prendre des engagements, de dépenser et de payer.

COMMENTAIRES DU CONSEIL

Nous avons reçu le décret du gouverneur en conseil qui désigne le Ministre des Communications comme ministre compétent.

Nous avons créé et comblé le poste de directeur adjoint à la planification et au contrôle financiers.

Nous avons nommé le directeur des services financiers et administratifs au comité d'exploitation. Les agents financiers des directions assisteront désormais aux réunions hebdomadaires des services financiers et administratifs.

Notre manuel financier est en bonne voie. Il sera terminé à l'automne 1975.

Nous avons rédigé un nouveau document de délégation des pouvoirs financiers et entrepris de le mettre en application.

Nous acceptons de donner suite à cette recommandation.

Nous acceptons et sommes en train de donner suite à cette recommandation.

OBSERVATIONS ET RECOMMANDATIONS

Des doubles des cartes de spécimen de signature des titulaires d'une délégation de signature devraient être remis au ministère des Approvisionnements et Services et à tous les employés du Conseil qui doivent les reconnaître.

REVENUS TIRÉS DES DROITS DE LICENCE DE RADIODIFFUSION

- Les droits de licence de radiodiffusion que le Conseil impose et perçoit sont retranchés des dépenses du ministère des Communications et ne sont pas soumis à un contrôle suffisant qui empêcherait les détournements de fonds, les retards indus de perception des paiements arriérés et les lacunes dans la comptabilité et les rapports.

Le Conseil devrait percevoir et rapporter les revenus tirés des droits de licence de radiodiffusion, les verser au Fonds du revenu consolidé et rapporter, dans les Comptes publics, les droits à recevoir en fin d'année financière.

Le Conseil devrait établir un système autonome de contrôle financier des droits perçus et des comptes à recevoir, qui prévoirait:

- a) le numérotage préalable et le contrôle numérique des reçus et des avis de cotisation;
- b) des registres détaillés des comptes à recevoir; et
- c) l'examen mensuel, par le fonctionnaire supérieur des finances de la liste par classe d'âge des comptes à recevoir.

CONTRÔLE DES STOCKS

- Le système actuel de contrôle des stocks de biens d'équipement est insuffisant et inexact.

Le Conseil devrait poursuivre la mise en place de son nouveau système de façon à assurer le contrôle comptable des biens d'équipement.

CONTRÔLE BUDGÉTAIRE

- Le conseil ne procède pas à une analyse régulière de données financières comme il conviendrait de le faire pour contrôler l'utilisation des ressources et le rendement de l'exploitation.

COMMENTAIRES DU CONSEIL

Nous acceptons et sommes en train de donner suite à cette recommandation.

Nous acceptons de donner suite à cette recommandation pendant l'exercice en cours.

Nous mettons présentement en pratique un nouveau système.

Nous avons mis en pratique le nouveau système.

OBSERVATIONS ET RECOMMANDATIONS

Le Conseil devrait faire entrer ses données budgétaires dans les rapports financiers mensuels produits par le ministère des Approvisionnements et Services, et les agents financiers devraient analyser chaque mois les écarts entre les coûts prévus et les coûts réels.

RAPPORTS FINANCIERS

- Du point de vue du fond et de la forme, les rapports mensuels ne sont pas suffisamment détaillés pour que la gestion et le contrôle financiers soient efficaces dans les directions.

Les rapports financiers que le ministère des Approvisionnements et Services produit pour le Conseil devraient désormais donner:

- a) des renseignements sur les engagements par centre de responsabilité;
- b) des données budgétaires par article d'exécution; et
- c) des rapports par sous-activité fondés sur les éléments d'activité que définirait le Conseil.

COMMENTAIRES DU CONSEIL

Cela se fait.

Nous acceptons et sommes en train de donner suite à cette recommandation.

MINISTÈRE DE LA CONSOMMATION ET DES CORPORATIONS

Observations et recommandations en date du mois de novembre 1974

Commentaires du Ministère en date du mois d'avril 1975

L'étude n'a porté que sur les programmes relevant du sous-ministre et a donc exclu les entités suivantes:

Conseil canadien de la consommation

Commission d'appel des brevets

Commission d'enquête sur les pratiques restrictives du commerce

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

LIENS FONCTIONNELS

- Les services financiers et administratifs communiquent ordinairement les systèmes, les procédés et les méthodes qu'ils établissent, par le truchement de manuels, de directives et d'autres instructions écrites, aux personnes possédant des attributions financières au sein des bureaux et des bureaux régionaux.

Les agents des services financiers et administratifs devraient tenir des réunions régulières plus fréquentes pour familiariser les agents financiers de programme et des régions avec la politique et les méthodes financières et aussi pour permettre un échange de vues sur des questions de finance.

- Les fonctionnaires supérieurs des finances des services financiers et administratifs devraient réunir régulièrement les sous-ministres adjoints et les directeurs de direction pour leur expliquer l'usage et la nature des données financières.

Nous tenons des réunions semestrielles avec des agents régionaux des finances et de l'administration. Nous avons déjà commencé à réunir périodiquement les usagers des systèmes de la comptabilité de prix de revient. Nous organisons actuellement des réunions mensuelles qui permettront aux agents administratifs de programme de discuter de l'évolution de l'administration financière.

Nous élaborons actuellement un programme d'orientation et de formation financières à l'intention de la haute direction et avons provisoirement retenu des sujets de discussion. Nous prévoyons tenir les premières séances à l'automne 1975.

FORMATION ET PERFECTIONNEMENT

- Les services financiers et administratifs ont abordé systématiquement la formation et le perfectionnement. Le programme ne s'adresse toutefois pas aux agents financiers et administratifs qui sont responsables des finances au sein des autres bureaux et des bureaux régionaux.

OBSERVATIONS ET RECOMMANDATIONS

Le Ministère devrait offrir le programme aux agents financiers et administratifs des bureaux et des bureaux régionaux.

- Les fonctionnaires supérieurs des services financiers et administratifs devraient participer à l'évaluation du rendement des agents financiers et administratifs des bureaux et des bureaux régionaux.

DIFFUSION DES POLITIQUES FINANCIÈRES

- Le Ministère devrait achever le plus tôt possible son manuel d'administration financière.
- Les services financiers et administratifs devraient numéroter pour fin de contrôle, les directives, instructions et explications qu'ils communiquent au personnel financier des bureaux et des bureaux régionaux.

CONTRÔLE COMPTABLE DES DÉPENSES

- Le ministère des Approvisionnements et Services vérifie seulement le pouvoir conféré en vertu de l'article 26 de la Loi sur l'administration financière et, il n'y a aucune méthode au sein du ministère de la Consommation et des Corporations qui permette de vérifier l'authenticité des pouvoirs de dépenser et de payer immédiatement, avant de présenter les demandes de chèques. Il pourrait donc arriver que ses fonds publics soient détournés par l'introduction de documents fictifs dans le système de paiement.

Juste avant de présenter les demandes de chèques au ministère des Approvisionnements et Services, le préposé aux lots devrait vérifier l'authenticité des signatures autorisant et le paiement et la dépense.

- Les bureaux devraient numéroter de façon continue leurs demandes de chèques.
- La division de la comptabilité financière des services financiers et administratifs devrait fournir aux bureaux les pièces justificatives à l'appui de la facturation centrale des comptes qu'elle impute à leurs budgets.

COMMENTAIRES DU MINISTÈRE

Nous documentons actuellement le programme de formation et de perfectionnement et nous l'offrirons aux autres bureaux et régions.

C'est là une recommandation théoriquement bien fondée mais dont l'exécution est très complexe. Nous en ferons une étude plus approfondie.

La rédaction du manuel se fait de façon continue. Nous y avons déjà ajouté les chapitres concernant la planification financière et les systèmes de rapports de la gestion des ressources. Nous y ajouterons en 1975 les méthodes de la comptabilité régionale.

Nous avons établi cette pratique.

Nous établirons cette pratique au cours de 1975.

Nous avons établi cette pratique.

Nous avons établi cette pratique.

REVENUS

- Le Ministère devrait faire figurer ses méthodes d'examen des revenus et son barème de frais dans son manuel d'administration financière.
- Le Ministère devrait passer les frais en revue une fois par année et les décisions qui en découlent devraient être bien décrites afin d'en assurer la continuité au cours des ans.

Nous incorporerons notre politique d'examen des revenus au manuel. Étant donné le grand nombre de taux et de barèmes en cause, nous ne mentionnerons dans le manuel, que les sources des taux autorisés.

L'établissement des frais est très complexe. Il faut fixer non seulement les frais, mais aussi leurs modalités d'application, par le truchement d'un règlement, voire de modifications à la loi. Nous projetons donc de passer les frais en revue sur une base cyclique s'étendant approximativement sur trois ans.

VÉRIFICATION INTERNE

- Le directeur des services financiers et administratifs a la charge de diriger la division de la vérification interne et règle donc le nombre et la portée des vérifications à effectuer.

Le sous-ministre devrait passer en revue un rapport annuel que le vérificateur interne en chef préparerait pour résumer le champ d'application des vérifications effectuées durant l'année, ses conclusions, les mesures correctives apportées et les questions encore en suspens.

- Le personnel de la vérification interne a, dans le passé, été appelé à élaborer des systèmes qu'il doit par la suite vérifier lui-même. Il lui est alors impossible de demeurer objectif.

Le personnel de la vérification interne ne devrait s'occuper que de vérification.

Le sous-ministre passera en revue le premier rapport annuel pour l'année financière terminée le 31 mars 1975, et qui paraîtra en juin 1975.

Nous avons établi cette pratique.

**PRÉVISIONS DE PROGRAMME/BUDGET
PRINCIPAL DES DÉPENSES**

- La haute direction devrait en temps opportun communiquer par écrit ses priorités à chaque niveau de l'organisation responsable de la préparation des budgets.
- Le Ministère peut continuer à faire entrer les dépenses du service des opérations extérieures dans les éléments d'activité qu'il seconde; cependant, il devrait examiner le plus tôt possible les liens financiers qui existent entre le service et les autres bureaux du Ministère afin d'en préciser la hiérarchie.

Nous établirons cette pratique au cours de 1975.

Nous avons renvoyé cette question à un sous-comité de notre comité de direction et demandé à un conseiller d'en faire une étude.

OBSERVATIONS ET RECOMMANDATIONS

- Dans les augmentations d'effectifs prévues au budget, le Ministère suppose ordinairement qu'il trouvera les personnes compétentes nécessaires le moment venu, aux taux de traitement correspondants à la classification des postes.

Les années-hommes et les fonds prévus au Budget des dépenses devraient refléter les limites imposées par les méthodes de recrutement et par les conditions prévisibles du marché de l'emploi.

- Le Ministère devrait préparer et instaurer un programme officiel d'application du système de mesure du rendement de l'exploitation (S.M.R.E.). Il devrait redoubler ses efforts pour en achever la mise en application et fixer les attributions de chacun des responsables.
- Le Ministère devrait expliquer de façon formelle les facteurs qui ont fait que des fonds sont devenus périmés pour qu'on en tienne compte dans les budgets ultérieurs.
- Pour chaque programme on prépare un plan opérationnel dont le Ministère se sert pour établir ses prévisions de programme. Dans le passé, le Ministère n'a pas tenu ces plans opérationnels à jour pour tenir compte des changements subséquents apportés aux niveaux des budgets.

Le Ministère devrait réviser et ventiler à nouveau ces plans opérationnels pour les faire correspondre au budget principal des dépenses approuvé.

- Le Ministère devrait élaborer des politiques officielles, ayant trait à la présentation du budget au Conseil du trésor, qui s'appliqueraient notamment: à la nature, la documentation la révision, la critique, l'approbation, la vérification indépendante de l'exactitude des calculs et des pièces à l'appui.

COMMENTAIRES DU MINISTÈRE

Nous rejetons cette recommandation, car les ressources humaines et monétaires prévues au Budget des dépenses sont fondées sur les besoins en ressources plutôt que sur les conditions du marché de l'emploi ou des contraintes administratives.

Presque la moitié (48%) des ressources demandées pour 1976-1977 était fondée sur des données du (S.M.R.E.). Nous estimons qu'environ 50% du reste ne peuvent pas être quantifiés; les mesures ne devraient donc être que des proratas de dépenses. Nous n'avons pas établi d'indicateurs dans plusieurs des autres domaines parce que les modifications de la loi pourraient changer complètement les mesures.

Aussitôt que nous connaissons la situation définitive de l'année 1974-1975, nous mettrons cette recommandation en pratique.

Nous avons donné suite à cette recommandation.

Nous avons donné suite à cette recommandation.

**BUDGETS DES CENTRES DE
RESPONSABILITÉ**

- À l'heure actuelle, le Ministère établit son budget principal des dépenses dans un double but: justifier les demandes de ressources présentées au Conseil du trésor et fixer en détail le budget de chaque élément d'activité. Le budget principal des dépenses est préparé dans un cadre bien défini de façon à se conformer rigoureusement aux règles du Conseil du trésor et, de ce fait, ne correspond pas toujours aux exigences d'un budget par centres de responsabilité qui reflète la réalité.

Chaque centre de responsabilité devrait établir un budget plus réaliste.

- Pour s'assurer que tous les niveaux hiérarchiques s'en tiennent aux budgets approuvés, le Ministère devrait établir et décrire dans son manuel d'administration financière les rôles qu'ils doivent jouer dans le processus budgétaire.
- Pour s'assurer que les gestionnaires de centres de responsabilité s'en tiennent à leur budget et au processus budgétaire, le Ministère devrait leur expliquer les modifications que le Conseil du trésor, les bureaux ou lui-même apportent aux budgets.
- La plupart des budgets mensuels des centres de responsabilité ne tiennent pas compte des fluctuations prévisibles des dépenses mensuelles au comptant, et ne font en substance que répartir le budget annuel en douze parties égales. La comparaison entre les dépenses prévues et les dépenses réelles est souvent sans intérêt, voire trompeuse en raison du fait que les dépenses réelles sont inscrites selon le mode de la comptabilité de caisse.

Les budgets mensuels devraient se fonder sur des prévisions réalistes de dépenses et être préparés sur la même base que les inscriptions de dépenses. La comparaison entre les dépenses prévues et les dépenses réelles à ce jour qui figurent dans les rapports financiers devrait être étayée par une bonne analyse des écarts.

- Dès qu'il les connaît, le Ministère devrait incorporer les réserves pour salaires et les primes de vie chère aux sommes prévues à la rubrique budget dans les rapports.

Nous avons apporté un certain nombre d'améliorations aux budgets des centres de responsabilité.

Le groupe de la planification financière fera l'étude de cette question au cours de l'été 1975.

Nous fournissons déjà ces explications. Mais, à cause de la limitation des ressources, les gestionnaires ne se sentent pas toujours tenus par leur budget. Une formation financière plus accentuée permettra de donner suite à cette recommandation.

Nous avons apporté un certain nombre d'améliorations à nos budgets mensuels.

Nous établirons cette pratique au cours de 1975.

OBSERVATIONS ET RECOMMANDATIONS

- Le manuel budgétaire du Ministère devrait inclure les méthodes qui requièrent que toute modification du budget doit figurer dans le système comptable du Ministère, et les fonctionnaires supérieurs des bureaux et des services financiers et administratifs devraient en assurer la mise en vigueur.

DÉPENSES PRÉVUES

- Les prévisions que le Ministère fait chaque mois laissent voir les années-hommes inscrites au budget et celles utilisées ainsi que les dépenses à ce jour et extrapolisent les sommes périmées ou le déficit budgétaire.

Les prévisions d'utilisation des années-hommes et de dépenses (rapport de l'utilisation des ressources) ne tiennent compte ni de l'effet du renouvellement des employés en place ni de la difficulté à augmenter les effectifs nets, à cause de la dotation de postes vacants à même les employés du Ministère. Les prévisions de dates futures d'embauche dans les régions, ne sont pas revues par l'autorité compétente appropriée, afin de voir si elles sont réalisables.

Les prévisions d'utilisation des années-hommes et de dépenses en salaires devraient tenir rigoureusement compte du remplacement des employés en place et de l'effet de cascade de la dotation de postes vacants à même les effectifs du Ministère. L'autorité compétente devrait passer en revue les prévisions de dates futures d'embauche dans les régions.

- Le système de rapports de la planification de la main-d'œuvre est construit de façon à fournir des rapports sur l'effectif courant et sur les coûts de main-d'œuvre prévus pour le reste de l'année. À l'heure actuelle, le système de rapports de la planification de la main-d'œuvre n'est pas immédiatement et régulièrement mis à jour lorsque les conventions collectives sont signées, ce qui entraîne des erreurs de prévision des dépenses.

Le système de rapports de la planification de la main-d'œuvre devrait être mis à jour dès qu'une convention collective est signée.

COMMENTAIRES DU MINISTÈRE

Nous avons donné suite à cette recommandation.

Nous tiendrons compte, dans nos prochaines prévisions, du remplacement des employés en place et de l'effet de cascade de la dotation de postes vacants à même nos effectifs. L'autorité compétente passe maintenant en revue les prévisions de dates futures d'embauche dans les régions.

Cette recommandation provient du fait que l'étude a été effectuée au moment où nous étions en train de modifier le système de main-d'œuvre et qu'un nombre de conventions avait été signé juste avant ces modifications. Nous faisons maintenant les mises à jour dès que nous en sommes avisés.

OBSERVATIONS ET RECOMMANDATIONS

- Les prévisions de dépenses non salariales se fondent sur les estimations des gestionnaires des centres de responsabilité.

Les services financiers et administratifs devraient dresser des lignes directrices sûres concernant les prévisions de dépenses non salariales.

- En septembre 1974, le Ministère n'a pas publié de rapport de l'utilisation des ressources à cause d'autres priorités.

On devrait préparer, chaque mois, un rapport de l'utilisation des ressources.

- Le supplément de renseignements qui accompagne les rapports de l'utilisation des ressources est superflu et n'apporte aucune précision utile; de plus, chaque bureau le présente à sa façon.

Les services financiers et administratifs devraient préciser la nature du supplément de renseignements qui doit accompagner les rapports de l'utilisation des ressources. Chaque centre de responsabilité devrait en outre le présenter de façon uniforme.

- Le Ministère devrait inclure tous les engagements réels et éventuels dans les rapports de l'utilisation des ressources destinés aux centres de responsabilité des services des opérations extérieures.

ENGAGEMENTS

- Comme le prévoit le manuel d'administration financière du Ministère, les gestionnaires des centres de responsabilité devraient mettre leurs listes d'engagements à jour une fois par mois.
- Les engagements devraient être inscrits dans les systèmes de comptabilité régionale et figurer dans les rapports financiers régionaux pertinents.

AUTRES ASPECTS DU CONTRÔLE BUDGÉTAIRE

- D'une année à l'autre il arrive que certains frais sont imputés aux crédits sur une base qui n'est pas uniforme.

COMMENTAIRES DU MINISTÈRE

Nous étudierons plus à fond cette recommandation au cours de 1975.

Nous avons établi cette pratique.

En 1975-1976, les rapports prendront une forme différente et contiendront une note explicative. Ils seront fonction des exigences de chaque sous-ministre adjoint, puisque les besoins varient d'un programme à l'autre.

Nos bureaux régionaux emploient maintenant un nouveau rapport hebdomadaire de dépenses qui montre le détail de leurs engagements.

Nous avons demandé aux divers centres de responsabilité de s'en tenir au manuel.

Nous avons établi cette pratique.

OBSERVATIONS ET RECOMMANDATIONS

Le Ministère devrait répartir les frais entre les crédits dans le même ordre que le fait le Budget des dépenses.

- Les analystes budgétaires sont souvent sans expérience et ne possèdent pas la compétence voulue pour bien seconder les gestionnaires des centres de responsabilité.

Le ministère devrait tenter de faire relever la classification des postes d'analyste budgétaire.

SYSTÈMES ET RAPPORTS FINANCIERS

- Les opérations financières du Ministère sont inscrites dans deux systèmes financiers officiels lesquels sont distincts. En plus d'utiliser les services de rapports financiers du ministère des Approvisionnements et Services, le Ministère maintient son propre système de rapports financiers sur ordinateur.

Les données d'entrée qui servent dans les deux systèmes sont presque toutes rassemblées séparément. Non seulement cette pratique est inefficace, mais encore elle est source de divergence entre les totaux de dépenses montrés aux rapports provenant des deux systèmes.

Le Ministère devrait échanger avec le ministère des Approvisionnements et Services, des données de dépenses sous une forme assimilable par un ordinateur.

- Les usagers des rapports financiers qui reçoivent une copie émanant des deux systèmes officiels ne reçoivent pas de conciliation des totaux de dépenses provenant des deux systèmes.

Un fonctionnaire supérieur des finances du Ministère devrait passer en revue et parapher les conciliations des états financiers et en faire parvenir une copie aux récipiendaires des rapports de dépenses en cause.

COMMENTAIRES DU MINISTÈRE

Nous acceptons cette recommandation en principe et, de fait, nous l'appliquons pour ainsi dire toujours. Cependant, les coûts de certains services ont augmenté, à la suite des réaménagements des priorités de nos divers programmes et de la modification imprévue de nos projets, et en raison de cela, on a imputé les coûts de ces services aux secteurs qui ont engendré ces modifications.

Nous avons fait relever les postes d'analyste budgétaire d'un niveau de classification et poursuivons l'étude de cette question.

Nous avons étudié cette recommandation. Puisque nous envoyons actuellement un grand nombre de petits lots de données d'entrée servant à plusieurs systèmes du M.A.S., il nous est impossible d'y donner suite pour le moment.

Bon nombre de ces conciliations étaient déjà passées en revue et paraphées par des fonctionnaires supérieurs des finances et ils le seront tous à l'avenir. Il n'y aura peut-être plus lieu d'envoyer ces documents à l'extérieur de la division une fois que nous aurons donné suite aux autres recommandations de la présente section.

OBSERVATIONS ET RECOMMANDATIONS

- Le Ministère devrait éliminer les systèmes comptables supplémentaires maintenus dans les centres de responsabilité.
- Chaque région tient un système manuel de registres comptables de dépenses qui est indépendant du système officiel des rapports financiers.

Les systèmes comptables régionaux devraient être intégrés au système des rapports de dépenses du Ministère.

- Les systèmes comptables régionaux et les rapports de la gestion de l'encaisse du Ministère devraient séparer les divers éléments d'activité du Programme de la consommation.
- Le Ministère devrait envoyer ses relevés sommaires des revenus aux centres de responsabilité qui effectuent la perception.

EMPLOI DES RAPPORTS FINANCIERS

- Les rapports de la gestion de l'encaisse du ministère devraient être préparés pour tous les centres de responsabilité qui ont des responsabilités budgétaires et le pouvoir de dépenser.
- Les services financiers et administratifs devraient identifier les rapports qui sont utiles et nécessaires aux centres de responsabilité et éliminer les autres.
- Le Ministère devrait simplifier les relevés sommaires destinés à la haute direction.
- Le Ministère met actuellement trop de temps à transmettre aux usagers les rapports du ministère des Approvisionnements et Services.

Le Ministère devrait avoir recours au service de distribution des rapports offert par le ministère des Approvisionnements et Services.

COMPTABILITÉ D'EXERCICE

- À l'heure actuelle, les rapports financiers ne font état que des dépenses au comptant.

Les rapports financiers du Ministère devraient indiquer tous les frais courus importants.

SYSTÈME DES RAPPORTS DE LA GESTION DES RESSOURCES

- Le système des rapports de la gestion des ressources fait état de renseignements orientés sur certains des éléments d'activité du Ministère.

COMMENTAIRES DU MINISTÈRE

Nous éliminerons les systèmes supplémentaires, où il y a double emploi, une fois que nous aurons analysé les besoins de chaque centre de responsabilité.

Nous donnerons suite à cette recommandation au cours de 1975.

Nous étudierons plus à fond cette question en 1975.

Nous donnerons suite à cette recommandation au cours de 1975.

Nous donnerons suite à cette recommandation au cours de 1975.

Les services financiers et administratifs font actuellement une étude complète de cette question, en vue de l'application de la recommandation.

Nous donnerons suite à cette recommandation dans le cadre de l'étude mentionnée ci-dessus.

L'étude spéciale mentionnée plus haut nous dira s'il y a lieu de continuer à distribuer nous-mêmes les rapports du ministère des Approvisionnements et Services.

Nous donnerons suite à cette recommandation au cours de 1975.

OBSERVATIONS ET RECOMMANDATIONS

Le Ministère devrait améliorer l'exactitude et l'utilité des rapports produits par le système des rapports de la gestion des ressources: en vérifiant bien les données d'entrée au système; en vérifiant les erreurs de dactylographie ou autres qui se sont glissées dans les rapports; en comparant le rendement prévu et réel; et en rédigeant une bonne analyse supplémentaire.

COMMENTAIRES DU MINISTÈRE

Nous avons déjà commencé à mettre cette recommandation en pratique; nous terminerons au cours de l'année 1975.

MINISTÈRE DE LA DÉFENSE NATIONALE

Observations et recommandations en date du 15 juillet 1975

Commentaires du Ministère en date du mois d'août 1975

Notre étude a porté sur tous les éléments du Ministère relevant du sous-ministre et du chef de l'État-major de la défense. Elle a donc expressément exclu le Conseil de recherches pour la défense, la Construction de défense (1951) Limitée et toutes les opérations du Ministère faisant appel à des fonds non publics.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

ORGANISATION

- À l'heure actuelle, c'est au chef des services financiers, et non au sous-ministre adjoint (S.-M.A.) aux finances, qu'incombe la responsabilité des systèmes d'administration financière du Ministère, du fait que le directeur général de la vérification comptable relève directement du S.M.A. aux finances. Cependant, lorsque le Ministère aura créé son comité de vérification, il respectera mieux l'esprit des lignes directrices du Conseil du trésor en confiant cette responsabilité au S.M.A. aux finances. Le directeur général de la vérification comptable relèvera alors d'un groupe indépendant.
- Le S.M.A. aux finances et le chef des services financiers, ainsi que leur personnel financier de soutien au quartier général, ont tous un rôle de service et un rôle de contrôle financier à jouer au Ministère. Ces rôles ne peuvent toujours être assumés simultanément.

Le S.M.A. aux finances devrait être nommé responsable des systèmes d'administration financière du Ministère.

L'équipe financière du quartier général devrait disposer d'un employé dont la seule fonction serait de s'assurer de l'existence de systèmes appropriés de contrôle interne et d'en mettre en place où ils font défaut. Cette personne devrait aussi être chargée de tenir à jour le manuel financier mentionné plus loin. Elle relèverait directement du chef des services financiers.

Nous sommes d'accord. Nous avons établi le comité de vérification; il fournira en toute indépendance au directeur général de la vérification comptable des directives conformes à l'esprit des lignes directrices du Conseil du trésor.

Nous sommes d'accord. La réorganisation exigée n'étant pas majeure, nous devrions pouvoir la faire avant la fin de l'année financière en cours.

**RELATIONS FONCTIONNELLES DES
AGENTS FINANCIERS**

- Afin que les responsabilités financières soient exercées convenablement, il faudrait:

- a) qu'un fonctionnaire supérieur des finances au sein des services du S.M.A. aux finances dirige fonctionnellement les contrôleurs de commandement et les agents financiers qui, au quartier général, ne font pas partie de ces services; et
- b) que les contrôleurs de commandement peu familiers avec les finances reçoivent une formation précise dans ce domaine, qui comprendrait une période d'initiation dans les services du S.M.A. aux finances, avant d'entrer en fonctions.

Nous sommes d'accord. Notre nouveau manuel financier, auquel nous travaillons depuis un an, paraîtra sous peu; il devrait améliorer sensiblement les communications.

Nous sommes d'accord. Nous prendrons les mesures nécessaires.

MANUEL FINANCIER

- Le Ministère devrait achever dès que possible son manuel financier et en prévoir officiellement la mise à jour une fois qu'il sera publié. La mise à jour du manuel devrait incomber au membre de l'équipe financière du quartier général qui s'occupe des systèmes de contrôle interne dont il a été question plus haut.

Nous sommes d'accord. Nous terminerons le manuel financier dans les délais et le publierons cette année. Nous en confierons la mise à jour à une personne précise, dans le cadre de la réorganisation mentionnée plus haut.

**COMPTABILITÉ PAR CENTRE DE
RESPONSABILITÉ**

- Le quartier général a la haute main sur 75% des fonds de fonctionnement du Ministère tandis que les commandements, les bases et les autres unités opérationnelles disposent de 25%. En fait, les gestionnaires des centres de responsabilité locaux ont droit de regard sur une petite partie seulement de ces 25%.

Le contrôle budgétaire ne devrait être confié aux gestionnaires des centres de responsabilité qu'à l'égard des activités qui relèvent directement de leur compétence. Il faudrait réduire le nombre de centres de responsabilité afin d'éliminer ceux qui n'ont pas d'autorité véritable sur le fonctionnement.

Nous sommes d'accord. Il convient cependant de souligner que le contrôle des débours continuera d'être décentralisé, car c'est aux plus bas niveaux possibles qu'il faut appliquer la politique d'économies.

**PROGRAMMES DE SOUTIEN DU
PERSONNEL (FONDS NON PUBLICS)**

- Divers programmes de soutien sont offerts au personnel militaire des établissements de la Défense nationale, notamment aux:

- a) économats;

OBSERVATIONS ET RECOMMANDATIONS

- b) mess et instituts; et
- c) installations de loisirs et d'éducation physique.
- Le contrôle et l'administration des fonds, des installations et des programmes non publics incombent directement au commandant d'unité et, en fin de compte, au chef de l'État-major de la défense. Il existe une certaine aide publique sous forme de ressources humaines et de financement direct du Ministère.

Deux mesures sont nécessaires si l'on veut que les responsabilités relatives aux fonds non publics puissent être exercées convenablement sans interaction avec les responsabilités relatives aux fonds publics:

- a) les gestionnaires du Ministère exerçant des responsabilités en matière de fonds non publics devraient disposer d'un personnel financier suffisant et qualifié;
- b) il faudrait que des vérificateurs possédant la formation nécessaire procèdent au moins une fois l'an au contrôle financier de tous les fonds non publics.

DÉLÉGATIONS DE SIGNATURE DES DOCUMENTS FINANCIERS

- Les délégations de signature des documents financiers sont établies:
 - a) dans des documents signés par le Ministre et le sous-ministre; et
 - b) dans de nombreux passages de diverses publications qui limitent l'exercice du pouvoir de dépenser.
- On a rédigé, mais pas encore publié, un document traitant de tous les aspects des délégations de pouvoirs.
- Il faudrait publier les révisions des délégations de signature des documents financiers, qui prévoiraient, dans un seul document complet:
 - a) que le pouvoir de dépenser doit être exercé par les gestionnaires et celui de payer par les agents financiers et que les pouvoirs de dépenser et de payer doivent toujours, à l'égard d'une opération donnée, être exercés par des personnes différentes;

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord. Une décision d'orientation doit être prise concernant la portée de l'aide publique supplémentaire à fournir.

Nous sommes d'accord. Comme l'indique l'observation, nous avons rédigé un document qui satisfait à toutes les recommandations; il paraîtra en octobre 1975.

- b) des limites imposées aux pouvoirs de dépenser et de payer selon le grade militaire ou le rang civil équivalent.

MÉTHODES DE VÉRIFICATION A PRIORI

- La vérification a priori ne comporte ni le contrôle des signatures attestant le pouvoir de dépenser, ni la correction des codes financiers, ni la mise en lots des demandes de chèque envoyées au ministère des Approvisionnements et Services. Le Ministère révisé actuellement le document qui définit la marche à suivre par les préposés à la vérification a priori.

Il faudrait que, avant l'envoi des demandes de chèque au ministère des Approvisionnements et Services, la vérification a priori soit attestée par l'apposition d'un timbre qui garantirait que toutes les tâches prescrites ont été accomplies.

Nous sommes d'accord. Nous révisons actuellement le document mentionné dans les observations; il paraîtra en janvier 1976. Un timbre du genre recommandé est maintenant en usage dans certains des gros dépôts d'approvisionnement et son emploi sera étendu.

**CONTRÔLE DES REVENUS ET DES
COMPTES À RECEVOIR**

Toutes les factures devraient faire l'objet d'une écriture dans le livre auxiliaire des comptes à recevoir, et il faudrait tenir un compte de contrôle indépendant des soldes des comptes à recevoir relevant du quartier général.

Nous sommes d'accord. Le compte indépendant de contrôle est en voie de création.

CONTRÔLE MATÉRIEL DES STOCKS

- Le Ministère a pour principe de vérifier la quantité des articles inscrits aux registres permanents en dénombrant au moins tous les trois ans les catégories de stock. Au cours des quelque douze derniers mois, les registres permanents tenus auparavant par les dépôts d'approvisionnement et les centres d'approvisionnement des bases ont été transposés au système révisé d'approvisionnement des Forces canadiennes. On n'a pas fait de dénombrements à l'instauration du nouveau système, et certains centres d'approvisionnement n'ont pas encore mis au point de plan afin de les poursuivre.

OBSERVATIONS ET RECOMMANDATIONS

Le chef de l'approvisionnement devrait, en entretenant des contacts avec les commandants de dépôt ainsi que les officiers d'approvisionnement des commandements et bases, veiller à ce que tous les centres d'approvisionnement, conformément à la politique du Ministère, mettent au point et appliquent dans les délais voulus un plan de dénombrement au moins trisannuel de toutes les catégories de stock relevant d'eux.

COMPTABILITÉ DES STOCKS

- Les articles de stock sont répartis en trois catégories:
 - a) équipement et véhicules;
 - b) pièces de rechange et réserves; et
 - c) fournitures consommables.
- Le niveau des stocks et l'utilisation des deux premières catégories d'articles sont dictés par les besoins militaires mais, pour la troisième catégorie, l'usage des stocks peut être contrôlé par les gestionnaires des centres de responsabilité.
- Les prévisions de programme, le Budget principal des dépenses, les budgets de fonctionnement et les Comptes publics du Canada ne révèlent que les achats prévus et réels d'approvisionnement, et non leur utilisation. En outre, les articles stockés à l'échelon national sont gratuits tandis que les articles obtenus sur place doivent être imputés aux fonds gérés localement par les officiers d'approvisionnement.

Le Budget principal des dépenses et le compte rendu des dépenses du Ministère devraient si possible présenter séparément les variations prévues et réelles des stocks par catégorie d'articles.

Les données fournies par le système d'approvisionnement des Forces canadiennes devraient servir à facturer les utilisateurs des articles dont ceux-ci ont un certain contrôle, quel que soit leur mode d'obtention initial.

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord. Les commandements, bases et dépôts ont reçu des instructions en ce sens.

Nous sommes d'accord en principe. Nous étudierons en collaboration avec le Conseil du trésor les possibilités d'application de cette recommandation.

Nous sommes d'accord en principe. Nous étudierons la proposition.

VÉRIFICATION INTERNE

- Le personnel de la vérification interne des contrôleurs des bases devrait être supérieur, tant en nombre qu'en grade. Un officier ou un civil de rang équivalent devrait être nommé chef à plein temps de la vérification interne dans chaque base, sauf si celle-ci est trop petite pour justifier un poste à temps complet. Les bases, stations, navires et autres établissements de moindre importance devraient être regroupés de façon appropriée de sorte que tous soient vérifiés par une section de vérification interne placée sous l'autorité d'un officier uniquement chargé de vérification interne.
- Le directeur général de la vérification comptable a élaboré un plan pour améliorer ses services. Il faudrait prendre des mesures pour hâter la mise en oeuvre des éléments suivants:
 - a) un plan unifié visant à maximiser l'efficacité et minimiser le chevauchement des efforts déployés aux divers niveaux de la vérification interne;
 - b) des cours à l'intention des vérificateurs internes des contrôleurs des bases; et
 - c) un manuel de vérification, exposant en détail les programmes de contrôle, à l'intention de tous les services de vérification interne des contrôleurs des bases.

Nous sommes d'accord en principe. Nous étudierons la proposition, mais il nous sera peut-être difficile d'y donner suite en raison de la limitation actuelle des années-hommes.

Nous sommes d'accord. Les travaux amorcés seront accélérés dans la mesure où les restrictions actuelles en matière d'années-hommes le permettent.

COORDINATION DE LA PLANIFICATION

- La planification à long terme et la préparation des prévisions de programme relèvent toutes deux des services du S.M.A. aux politiques tandis que la préparation du Budget principal des dépenses incombe à ceux du S.M.A. aux finances.

Les services du S.M.A. aux finances devraient recueillir des informations analogues à celles du Budget principal des dépenses concernant la première année des prévisions de programme. Ces informations devraient être comparées au plan à long terme et, au besoin, être modifiées avant l'établissement de la présentation annuelle au titre des prévisions de programme.

Nous sommes d'accord en principe. Nous procéderons à une étude afin d'évaluer les possibilités d'application de cette proposition.

**BUDGETS DÉTAILLÉS DE GESTION ET
RÉPARTITION DES FONDS**

- Les présentations budgétaires des centres de responsabilité devraient être établies «à partir de zéro» (c'est-à-dire justifier toutes les activités, nouvelles ou permanentes, et mentionner les frais qui s'y rattachent).
- Ces présentations budgétaires doivent comprendre une estimation réaliste des frais fondée sur un taux d'inflation accepté tant par le quartier général que par les gestionnaires des centres de responsabilité locaux.
- S'il y a lieu de réduire les budgets demandés, il faudrait que la haute direction indique les diminutions voulues du niveau d'activité aux gestionnaires des centres de responsabilité, qui devraient présenter à nouveau leurs budgets en fonction de ces indications. Le cycle devrait se répéter jusqu'à ce qu'on détermine le niveau acceptable de dépenses.
- Il faudrait s'efforcer davantage de déterminer dès que possible les nouvelles répartitions de fonds qui s'imposent, de façon qu'on puisse les effectuer à temps.

Nous sommes d'accord en principe. Nous étudierons la possibilité d'instaurer un système budgétaire du genre recommandé, en tenant compte de son coût et de son efficacité.

Nous sommes d'accord. Les instructions reliées à la préparation du budget des dépenses de 1976-1977 traitent de l'inflation de la façon recommandée.

Nous sommes d'accord en principe. Il se peut que les contraintes de temps ne nous permettent pas toujours de mener à terme le processus indiqué.

Nous sommes d'accord. Nous étudierons les façons d'améliorer les méthodes actuelles.

**SYSTÈME DE MESURE DU RENDEMENT
DE L'EXPLOITATION (S.M.R.E.)**

- Il faudrait continuer à mettre au point un système de mesure du rendement.
- La communication des chiffres d'efficacité et de rendement produits par le Système de mesure de l'exploitation devrait être intégrée dans le système principal de rapports financiers des centres de responsabilité.

Nous sommes d'accord. Les résultats obtenus jusqu'ici sont prometteurs.

Nous sommes d'accord en principe. Des études plus approfondies sont nécessaires, mais nous sommes convaincus que l'intégration des systèmes se fera en temps voulu.

REGISTRES D'ENGAGEMENTS

- On tient des registres d'engagements pour les principales dépenses réglementées par le quartier général, comme la solde des militaires et la paie des civils. Cependant, il n'existe aucun système officiel de registres d'engagements à l'égard des fonds contrôlés dans le cadre du système de gestion des ressources, bien qu'un projet de directive ait été rédigé à ce sujet.

Il faudrait établir la version définitive du projet de directive portant sur les registres d'engagement et la publier, afin que ces registres soient tenus par tous les gestionnaires des centres de responsabilité.

Nous avons terminé et publié la directive en question.

RAPPORTS FINANCIERS

- Les rapports du système d'information financière concernant les dépenses imputées aux budgets locaux ne représentent qu'une petite partie du système de gestion des ressources du Ministère. Il existe un important malentendu entre la haute direction financière et les gestionnaires des centres de responsabilité à propos de l'objet et de l'utilisation de ces rapports.

Il faudrait réviser le système de gestion des ressources à l'égard des dépenses imputées aux budgets locaux. Il faudrait tout particulièrement essayer d'accélérer la production des données et d'améliorer la communication des objectifs du système, ainsi que de veiller à ce que les responsabilités soient assorties aux contrôles de la façon décrite à la rubrique ci-dessus intitulée «Comptabilité par centre de responsabilité». Il faudrait décrire le système de gestion des ressources dans un manuel d'utilisation rédigé à l'intention des profanes en comptabilité. L'utilisation des divers rapports devrait y être expliquée.

Nous sommes d'accord. Nous améliorons constamment le Système d'information financière et prévoyons d'autres modifications pour 1976-1977. Nous diffuserons au cours de l'année financière 1976-1977, un manuel d'utilisation rédigé à l'intention des profanes en comptabilité.

MINISTÈRE DE L'ÉNERGIE, DES MINES ET DES RESSOURCES

Observations et recommandations en date du mois de mai 1975

Commentaires du Ministère en date du mois de juillet 1975

L'étude a porté sur les programmes ministériels correspondant aux crédits 1, 5 et 15 de l'année financière 1974-1975, mais non sur les dépenses imputées aux crédits suivants:

Crédit 11a – Programme d'indemnisation touchant les produits pétroliers

Crédits 20 et 25 – Commission de contrôle de l'énergie atomique

Crédits 30 et 35 – Énergie atomique du Canada, Limitée

Crédit 47d – Eldorado nucléaire, Limitée

Crédit 50 – Office national de l'énergie

Crédits 51b, 52a et 53c – Office de répartition des approvisionnements d'énergie.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

FONCTIONNAIRE SUPÉRIEUR DES FINANCES

- Le Ministère n'a pas nommé un fonctionnaire supérieur des finances et les fonctions correspondantes sont exécutées par divers fonctionnaires de niveaux variés.

Il faudrait nommer par écrit un fonctionnaire supérieur des finances très expérimenté et qualifié dans ce domaine, qui relèverait directement du sous-ministre et ferait partie du groupe de la direction du Ministère par sa participation aux comités d'orientation et de direction. La désignation écrite du fonctionnaire supérieur des finances devrait préciser que ce fonctionnaire exercera une forte autorité fonctionnelle sur les agents financiers et les autres personnes accomplissant des fonctions financières au niveau des directions ainsi que sur leur recrutement, leur perfectionnement et leur évaluation.

Nous désignerons un fonctionnaire supérieur des finances dont le mandat établira clairement ses relations avec la haute direction et les agents financiers des directions.

DOTATION DES POSTES FINANCIERS

- Chacune des directions devrait disposer des compétences financières appropriées en raison de la complexité de ses opérations, de la diversité des exigences d'ordre financier et de la nécessité d'assurer la direction fonctionnelle des gestionnaires des centres de responsabilité en matière de comptabilité ainsi que de donner de bons conseils financiers aux responsables des directions.

Un agent financier, qui relèverait directement du chef de la direction ou du fonctionnaire supérieur des finances, devrait être désigné dans chaque direction. Chacun devrait être suffisamment qualifié, selon l'opinion du fonctionnaire supérieur des finances, et, si ce dernier le juge nécessaire, être classé au niveau approprié dans le groupe de l'administration financière (FI).

Il faudrait étudier et décrire un programme complet de formation pour le personnel de la division des services financiers ainsi que les agents financiers et les autres personnes chargées de fonctions financières dans les directions.

Nous avons établi une politique pour donner suite, le plus vite possible, à la recommandation.

Nous élaborerons et utiliserons le programme de formation recommandé dès que les systèmes financiers et le manuel correspondant seront au point.

MANUEL FINANCIER

- La majeure partie du manuel financier du Ministère n'a pas encore été rédigée, et les parties existantes ne sont généralement pas assez précises pour être vraiment utiles au niveau des directions et des centres de responsabilité.

Ce manuel financier devrait être achevé et les méthodes et responsabilités financières détaillées à l'intention des centres de responsabilités, des directions et de la division des services financiers.

Nous terminerons en priorité le manuel financier en nous efforçant d'y donner tous les détails nécessaires.

CONTRÔLE DES DOCUMENTS

- Les documents d'origine sont actuellement mis en lots à la division des services financiers. Si la mise en lots se faisait le plus tôt possible dans le système comptable, on disposerait d'un meilleur contrôle des documents et d'une information plus précise, au point d'arrêt, que celle disponible aux gestionnaires d'exploitation.

OBSERVATIONS ET RECOMMANDATIONS

Le contrôle par lots des documents d'entrée au système central d'informations financières devrait commencer et se terminer au niveau du centre de responsabilité ou de la direction.

- Le Ministère ne garde pas suffisamment de documents pour permettre une gestion efficace ou une vérification des mesures de contrôle appliquées à des opérations précises. Les documents originaux comme les factures des fournisseurs, les réclamations de frais de voyage, les demandes de chèque et les formules de codage sont envoyés au ministère des Approvisionnements et Services.

Les documents originaux portant les signatures exigées par l'article 27 de la Loi sur l'administration financière et d'autres mesures de contrôle devraient être conservés par la division des services financiers.

VÉRIFICATION A PRIORI

- Il n'existe pas de méthode uniforme de vérification a priori dans tout le Ministère, et il y a un certain double emploi à divers niveaux de l'organisation.

Il faudrait établir et décrire des méthodes uniformes de vérification a priori, dont les personnes chargées des diverses tâches de vérification attesteraient l'application en paraphant l'original des documents, sur une estampe de vérification conçue à cette fin.

CONTRÔLE DES PAIEMENTS

- Le montant figurant sur les formules de demande de chèque du Ministère peut être majoré frauduleusement après l'apposition de la signature exigée par l'article 26 de la Loi sur l'administration financière.

La case de la demande où l'on inscrit le montant devrait être remplie de façon qu'on ne puisse placer des chiffres devant ceux qui ont déjà été inscrits.

- Un examen du registre des recettes a révélé que certaines factures de fournisseurs avaient été payées deux fois.

COMMENTAIRES DU MINISTÈRE

Nous appliquons maintenant des méthodes appropriées de contrôle par lots.

Les documents originaux, dûment vérifiés a priori conformément à des instructions uniformes et portant l'estampe attestant que toutes les tâches nécessaires ont été effectuées, seront conservés par la division des services financiers.

Nous établirons des méthodes uniformes de vérification a priori et l'exécution de chaque étape sera appuyée par les initiales placées sur une estampe de vérification, dont seront marqués les documents originaux.

Nous remplirons cette case des demandes de chèque de façon à éliminer toute possibilité de hausser le montant déjà inscrit.

OBSERVATIONS ET RECOMMANDATIONS

Une copie des factures envoyées par les fournisseurs devrait être estampillée «facture originale» à l'encre de couleur lorsqu'elles sont reçues par le Ministère et les demandes de chèque ne devraient être instruites que si elles sont accompagnées de la facture originale.

PAIE

- Les retards d'inscription des frais d'heures supplémentaires et des coûts reliés aux employés mutés au Ministère ou hors de celui-ci se traduisent par des rapports financiers inexacts. Les fonctions sont mal divisées en ce sens que les responsables de l'établissement des éléments de paie reçoivent également les chèques à distribuer. Les listes de paie ne font l'objet d'aucun contrôle indépendant préétabli.

Le fonctionnaire supérieur des finances devrait être chargé de veiller à la validité des contrôles financiers effectués à l'heure actuelle par la direction du personnel sur la paie et la comptabilité des années-hommes.

REVENUS ET COMPTES À RECEVOIR

- Le fonctionnaire supérieur des finances devrait examiner tous les ans les services facturés et les services rendus gratuitement et faire des recommandations au Conseil du trésor. Ces dernières devraient être étayées par des chiffres indiquant le tarif facturé, le tarif recommandé et tous les coûts imputables au montant facturé.
- On a détecté des lacunes dans les méthodes et contrôles comptables existants des revenus et des comptes à recevoir, lacunes dues: à une mauvaise répartition des fonctions; au défaut de tenir des comptes de contrôle et, lorsque ces derniers existent, au défaut de les concilier régulièrement avec les registres auxiliaires; à l'absence de listes chronologiques mensuelles des comptes à recevoir destinées à la gestion et au manque de méthode bien définie de perception qui permettrait de réduire les pertes de biens de l'État.

COMMENTAIRES DU MINISTÈRE

Nous estampillerons le mot «copie» sur toutes les copies des factures autres que l'original afin d'empêcher qu'une dépense soit appuyée seulement par un double.

Le fonctionnaire supérieur des finances sera chargé de cette responsabilité et effectuera les examens voulus.

Nous effectuerons une analyse périodique du tarif des services et des coûts correspondants.

OBSERVATIONS ET RECOMMANDATIONS

Il faudrait revoir à fond les systèmes de revenus et de comptes à recevoir, en s'intéressant tout particulièrement aux points suivants:

- a) les tâches de tenue des registres de comptes à recevoir et de revenus devraient être réparties de façon qu'une même personne ne puisse à la fois recevoir du comptant, tenir les registres des comptes à recevoir et établir des factures et des notes de crédit;
- b) on devrait tenir des comptes de contrôle pour chaque système de comptes à recevoir et les concilier de façon indépendante avec les listes extraites des registres auxiliaires de comptes à recevoir;
- c) on devrait établir des listes chronologiques mensuelles détaillées des comptes à recevoir à l'intention de la direction et pour son contrôle;
- d) on devrait instaurer et décrire des méthodes uniformes de perception dans tout le Ministère lesquelles seraient approuvées par le fonctionnaire supérieur des finances.

STOCKS DE MATÉRIEL ET DE BIENS D'ÉQUIPEMENT

- Certaines directions ne font pas chaque année le dénombrement des articles en magasin, comme l'exige le manuel de gestion du matériel. On sort des articles des stocks à l'intention du personnel de la direction sans document à l'appui. L'accès au magasin n'est pas réservé au personnel de ce dernier. La tenue des registres de stocks incombe aux employés qui rédigent les commandes et qui reçoivent et livrent le matériel. Il n'existe aucune méthode de contrôle comptable permettant de vérifier que tous les achats d'équipement sont inscrits dans les registres détaillés de stocks et, dans plusieurs directions, ces registres sont inexacts. En outre, le niveau des stocks n'est pas en rapport avec l'utilisation de chaque article.

COMMENTAIRES DU MINISTÈRE

Nous intégrerons le système de revenus et de comptes à recevoir dans le système central d'informations financières; nous donnerons suite aux recommandations concernant les contrôles, la répartition des tâches, le classement chronologique des comptes à recevoir et leur perception, tout en veillant à l'uniformité des méthodes dans toutes nos directions.

OBSERVATIONS ET RECOMMANDATIONS

Le fonctionnaire supérieur des finances devrait veiller à rectifier les lacunes décelées dans les systèmes de contrôle des stocks.

DÉPÔTS POUR TRAVAUX SPÉCIAUX

- Il n'existe aucune méthode comptable précise concernant les dépôts pour travaux spéciaux reçus d'organismes extérieurs à des fins de recherches. On exerce un contrôle insuffisant sur la dépense des fonds et l'utilisation des soldes à l'achèvement des travaux.

Le Ministère devrait améliorer et décrire officiellement des méthodes de contrôle financier reliées aux dépôts spéciaux reçus en application de l'article 15, partie II, de la Loi sur l'administration financière, et les faire approuver par le Conseil du trésor.

VÉRIFICATION INTERNE

- Il n'y a pas eu de vérification interne jusqu'en 1974. Depuis lors, le bureau des services de vérification remplit le rôle de vérificateur interne dans le cadre d'un programme de vérification de trois ans proposé par le bureau et dont l'achèvement est prévu pour le 30 avril 1977.

Le programme de vérification interne proposé par le bureau des services de vérification devrait être achevé dans le délai prévu de trois ans, sous l'autorité du chef de la vérification financière interne.

- Le chef de la vérification financière interne relève du premier sous-ministre adjoint de façon que les conclusions des vérifications et les recommandations en découlant reçoivent toute l'attention voulue. Un comité de vérification seconderait sans doute utilement le premier sous-ministre adjoint dans l'exécution de cette fonction.

Il conviendrait d'établir un comité de vérification et de définir clairement son mandat, qui devrait comporter l'examen annuel de la portée des vérifications internes, des conclusions et recommandations figurant dans les rapports de vérifications et l'évaluation du rendement de l'équipe de vérificateurs internes, à des intervalles appropriés.

COMMENTAIRES DU MINISTÈRE

Le fonctionnaire supérieur des finances veillera à ce que soient corrigées les faiblesses relevées, et le manuel financier tiendra compte de la révision correspondante des méthodes.

Nous avons déjà mis ces méthodes au point et les avons fait approuver par le Conseil du trésor.

Nous sommes aussi d'avis que le programme de vérification interne devrait être achevé dans le délai prévu.

Nous formerons un comité de vérification doté d'un mandat approprié.

**STRUCTURE PAR ACTIVITÉ ET PAR
PROGRAMME**

- Le Ministère reconnaît que la description des activités et sous-activités, qui se fait généralement dans le cadre hiérarchique, n'est pas appropriée à la mesure des résultats finals.

Il faudrait redéfinir les activités et sous-activités de tous les programmes et faire approuver les nouvelles définitions par le Conseil du trésor.

Ce travail de redéfinition est déjà bien avancé. Nous avons pris conscience des lacunes de notre système financier et avons entrepris de le refondre complètement. Cette refonte tiendra compte de toutes les recommandations faites aux rubriques suivantes: comptabilité des travaux, contrôle budgétaire, contrôle des engagements, rapports financiers.

COMPTABILITÉ PAR PROJET

- Les structures par projet et par procédé, c'est-à-dire le niveau élémentaire d'exploitation par lequel on devrait saisir et contrôler les coûts, n'ont pas été bien définis dans certains secteurs du Ministère, comme ceux de la mise en valeur de l'énergie, de l'exploitation minière et de l'administration.

Il faudrait définir pour toutes les activités une structure par projet et par procédé.

Nous établirons une structure par projet et par procédé dès que nous aurons redéfini les activités et sous-activités.

Il faudrait instaurer un système de comptabilité des coûts par projet dans toutes les directions du Ministère afin d'avoir des rapports réguliers sur l'état d'avancement des projets.

Voir la réponse faite à la rubrique — Structure par activité et par programme.

Il faudrait mettre au point, et décrire, des critères valables, monétaires et non monétaires, pour mesurer l'efficacité et le rendement des travaux. On devrait comparer les dépenses réelles avec les prévisions afin de surveiller le rendement et d'effectuer des analyses coûts-bénéfices.

Voir la réponse faite à la rubrique — Structure par activité et par programme.

CONTRÔLE BUDGÉTAIRE

- Le contrôle budgétaire est inexistant parce que, pour de nombreux centres de responsabilité, on n'a pas intégré de budgets mensuels dans le système central d'information financière. Un grand nombre de ceux qui l'ont été calculent leurs chiffres mensuels en divisant par 12 le budget annuel. En outre, les modifications budgétaires comme les affectations venant d'autres ministères fédéraux ont été inscrites tardivement.

OBSERVATIONS ET RECOMMANDATIONS

Il faudrait intégrer les budgets mensuels dans le système central d'information financière, pour tous les centres de responsabilité, en se fondant sur des estimations réalistes des dépenses mensuelles.

CONTRÔLE DES ENGAGEMENTS

- On observe des retards d'inscription des données sur les engagements, et ceux qui doivent être liquidés pendant le mois en cours ne sont habituellement pas incorporés au système intégré de contrôle. Il en résulte un mauvais contrôle des engagements lorsque certains d'entre eux n'ont pas été inscrits dans le système et ne sont pas entièrement liquidés pendant le mois en cours.

Tous les engagements devraient être inscrits au système intégré de contrôle des engagements, qu'ils doivent ou non être entièrement liquidés pendant le mois en cours.

RAPPORTS FINANCIERS

- Les rapports mensuels émanant du système central d'information financière ne sont que d'une utilité limitée dans le Ministère à cause des retards d'inscription des données sur des dépenses et des engagements; on en critique la présentation et l'à-propos du contenu.

Les rapports mensuels produits par l'ordinateur du Ministère devraient être conformes à la nouvelle structure par activité et sous-activité et se présenter sous une forme utile aux gestionnaires de tous les niveaux du Ministère.

Il faudrait établir chaque mois, dans chaque direction, des rapports supplémentaires concis de gestion financière mettant en lumière les écarts importants par rapport au budget et leur analyse, en indiquant le solde du compte de contrôle des comptes à recevoir ventilé par classe d'âge.

COMMENTAIRES DU MINISTÈRE

Voir la réponse faite à la rubrique — Structure par activité et par programme.

Voir la réponse faite à la rubrique — Structure par activité et par programme.

Voir la réponse faite à la rubrique — Structure par activité et par programme.

Voir la réponse faite à la rubrique — Structure par activité et par programme.

MINISTÈRE DE L'ENVIRONNEMENT

Observations et recommandations en date du 16 mai 1975

Commentaires du Ministère en date du 9 juillet 1975

L'étude avait essentiellement pour but d'évaluer l'efficacité des systèmes actuels de gestion et de contrôle financiers au sein des trois programmes du Ministère. En plus des visites effectuées au bureau principal et aux autres bureaux du Ministère dans la région d'Ottawa-Hull, l'équipe s'est également rendue à Downsview, Burlington, Winnipeg, Edmonton, Vancouver, Victoria et Halifax. Nous avons expressément exclu de l'étude le Régime d'assurance sur bateaux de pêche, l'Office canadien du poisson salé et l'Office de commercialisation du poisson d'eau douce.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

ORGANISATION ET DOTATION EN PERSONNEL

- Il conviendrait d'examiner avec plus d'attention l'organisation et l'effectif des services financiers du ministère de l'Environnement afin:

- a) de déterminer la mesure optimale de décentralisation de la fonction financière parmi les divers niveaux ministériels: programme, services, bureaux régionaux et autres centres;
- b) de définir plus clairement les rôles et les responsabilités du personnel financier à chacun de ces niveaux;
- c) de déterminer si les dispositions prises pour doter en personnel chaque service financier sont bonnes;
- d) de retrouver, au sein du Ministère, les petits groupes d'experts financiers et de déterminer s'il y aurait avantage à laisser les choses comme elles sont ou à les installer à l'échelon approprié de la gestion financière.

Nous sommes d'accord. Nous entreprendrons une étude à ce sujet aussitôt que possible.

LIENS FONCTIONNELS

- Au chapitre des rapports, les liens fonctionnels devraient être clarifiés et s'appuyer sur des documents qui devraient bien préciser que la direction des services financiers du Ministère a l'ultime autorité et l'ultime responsabilité du système de la gestion et du contrôle financiers utilisé au sein du Ministère.
- Les fonctionnaires supérieurs des finances de la direction des services financiers du Ministère devraient participer de façon active à l'orientation fonctionnelle, à la planification des carrières, au perfectionnement professionnel et à la formation de leurs subordonnés.

D'accord. Nous rédigerons un énoncé de principe.

D'accord. Nous prendrons les mesures qui conviennent.

MANUEL FINANCIER

- Il conviendrait de procéder aussitôt que possible à la révision prévue du manuel financier. Il faudrait s'assurer qu'il contient:
 - a) le cas échéant, l'adjonction de notes pour chaque service, sous réserve de l'approbation de la direction des services financiers;
 - b) des directives, à l'exemple du Guide d'administration financière du Conseil du trésor, sur des sujets qui ne sont pas actuellement traités ou qui ne le sont que de façon fragmentaire.

Le guide est en voie de révision.

**DÉLÉGATION DES POUVOIRS
FINANCIERS**

- La direction des services financiers du Ministère devrait, en tant que mesure provisoire, faire en sorte que les fonctionnaires du ministère des Transports qui utilisent, pour le compte d'Environnement Canada, leurs pouvoirs financiers en vertu des articles 26 et 27 de la Loi sur l'administration financière, soient suffisamment renseignés pour le faire comme il se doit.

Cela se fera.

CONTRÔLES COMPTABLES

- Il y aurait lieu de formuler et préciser les principes directeurs et les méthodes qui ont trait aux contrôles comptables pour s'assurer que les entrées au système comptable sont exactes, autorisées de façon convenable et suffisamment complètes. Le système devrait surtout assurer:
 - a) qu'on adhère aux contrôles prescrits;

D'accord. Nous réexaminerons nos principes directeurs et nos systèmes.

- b) qu'on utilise des contrôles spéciaux là où les méthodes normales peuvent difficilement s'appliquer.

PAIE

- Le système de paie et les systèmes connexes, tenus par la direction générale du personnel, ainsi que toutes les révisions qu'on y apporte devraient sans cesse être examinés et approuvés par la direction des services financiers du Ministère; de plus les services de vérification interne du Ministère devraient en faire une vérification périodique.

Cela se fera.

**CONTRÔLE INTERNE DES REVENUS ET
DES COMPTES À RECEVOIR**

- La Direction des services financiers du Ministère devrait entreprendre une étude à fond de l'efficacité de tous les systèmes de contrôle interne sur les revenus et les comptes à recevoir dans tout le Ministère, tout en vérifiant attentivement si les tâches sont bien réparties et s'il n'y aurait pas lieu de faire surveiller la facturation et le processus de la perception au niveau de la gestion appropriée.

D'accord. Nous entreprendrons une étude.

**PRINCIPES DIRECTEURS QUANT AUX
REVENUS**

- La direction des services financiers du Ministère devrait:
 - a) établir et amplement justifier des principes directeurs ayant trait aux revenus;
 - b) les communiquer à tout le Ministère;
 - c) établir une méthode pour examiner régulièrement la justesse du tarif des coûts à recouvrer; et
 - d) s'assurer que la haute direction du Ministère et le Conseil du trésor sont parfaitement informés des répercussions financières des principes directeurs et de la nécessité de les réviser sans cesse.

D'accord. Cela se fera.

STOCKS D'APPROVISIONNEMENTS

- La direction des services financiers du Ministère devrait collaborer avec la division de la gestion du matériel, afin d'établir des contrôles comptables adéquats sur les stocks, veiller de plus près à la bonne marche des opérations et, pour cela, réviser les systèmes actuels et en instaurer de meilleurs s'il y a lieu.

D'accord. On a déjà pris des mesures.

BIENS D'ÉQUIPEMENT

- La direction générale des finances et des installations devrait établir un système de contrôle de l'équipement, qui pourrait s'appliquer de façon constante dans tout le Ministère et qui assignerait des attributions précises aux gestionnaires des centres de responsabilité régionaux et aux gestionnaires de magasins, pour la garde et le contrôle de tous les biens d'équipement. Ce système devrait également prévoir:

D'accord. Des mesures sont prises à ce sujet.

- a) un contrôle approprié du système par l'intermédiaire d'inspections et d'études méthodiques effectuées par un personnel compétent;
- b) l'approbation de toutes les révisions par la division de la gestion du matériel et celle de la gestion financière.

PRÊTS À RECEVOIR

- Le Ministère devrait réexaminer ses principes directeurs et ses méthodes relativement aux prêts:

D'accord. Cet examen est déjà en cours.

- a) de façon à mieux préciser qui peut modifier les modalités et les conditions des prêts;
- b) afin de mieux coordonner les prêts que différentes directions ont faits ou feront peut-être à la même personne;
- c) afin de faire en sorte, par une méthode quelconque, que, dans le cas des prêts versés par tranches sur demande, le montant total versé ne dépasse le montant approuvé pour le prêt.

VÉRIFICATION INTERNE

- Bien que la division de la vérification interne n'ait été établie que récemment, il nous semble que tous les efforts possibles devraient être faits, pour combler, aussi rapidement que possible, les besoins en personnel de cette division.
- La division de la vérification interne devrait se charger de surveiller la mise en oeuvre de toutes les recommandations internes et externes, de nature financière ou administrative, qui sont adoptées par le Ministère.

D'accord. Nous avons pris des mesures à ce sujet.

D'accord.

OBSERVATIONS ET RECOMMANDATIONS

- La composition du comité de vérification prévue devrait être révisée de façon qu'en fasse partie le sous-ministre adjoint de la planification et des finances.
- Le rapport annuel de vérification, rédigé par le chef, vérification comptable, ainsi que les rapports provisoires s'il le juge à propos, devraient être présentés au sous-ministre.

STRUCTURE PROGRAMME-ACTIVITÉ

- Le Ministère devrait réexaminer ses structures actuelles concernant ses programmes et ses activités afin de décider laquelle conviendrait le mieux à la planification, à l'affectation des ressources pour l'évaluation des programmes et au contrôle budgétaire à l'intérieur du Ministère.
- Le libellé des crédits du programme des pêches et des sciences de la mer et du programme des services de l'environnement devrait être révisé de façon à montrer que les coûts des services centralisés du personnel sont inclus dans les crédits demandés pour chaque programme.

PRÉPARATION DU BUDGET

- Le Ministère devrait établir, avec documents à l'appui, un système plus efficace pour la préparation du budget:
 - a) il faudra ainsi veiller, à ce qu'on ait toujours à l'esprit, tout au long de la démarche, les projets et les priorités de la haute direction;
 - b) les nouveaux programmes et les modifications aux programmes actuels seront ainsi revus et contestés au besoin, aux différents échelons de la filière hiérarchique;
 - c) il y aura une révision périodique des programmes permanents, de manière à vérifier s'ils sont toujours justifiés.

CONTRÔLE BUDGÉTAIRE

- La direction des services financiers du Ministère devrait examiner s'il est toujours nécessaire de tenir les registres mécanographiques de contrôle des affectations, vu les renseignements disponibles que fournit le système de rapport du ministère des Approvisionnements et Services.

COMMENTAIRES DU MINISTÈRE

La composition du comité sera réexaminée.

Il en sera ainsi fait.

D'accord. Nous prenons en ce moment des mesures en ce sens.

D'accord. Sous réserve d'une révision de la méthode d'affecter les fonds.

D'accord. Nous sommes actuellement à mettre ce système au point.

Une étude aura lieu.

OBSERVATIONS ET RECOMMANDATIONS

- La direction des services financiers du Ministère devrait s'occuper directement de l'élaboration des systèmes de mesure du rendement de l'exploitation qui se fait actuellement au Ministère.
- Le Ministère devrait utiliser certaines techniques plus raffinées de la comptabilité du prix de revient; là où ces techniques pourraient donner des résultats plus nets et plus utiles sur le coût des projets.

RAPPORTS FINANCIERS

- Il y aurait lieu de vérifier dans quelle mesure on pourrait puiser dans les rapports émanant du ministère des Approvisionnements et Services des renseignements pour rendre plus utile le rapport mensuel de gestion.
- Le rapport mensuel à l'intention de la haute direction devrait:
 - a) fournir des renseignements financiers qui soient bien répartis selon chaque activité du Ministère et, si besoin est, ventilés selon les divers éléments de chaque activité;
 - b) contenir des explications plus complètes sur les écarts constatés, faire part des raisons des déficits prévus pour la fin de l'année et donner des suggestions concernant le financement de ces déficits.
- La haute direction devrait communiquer aux gestionnaires du Ministère ses décisions ayant trait à la disposition ultime des déficits.
- C'est la direction des services financiers du Ministère qui devrait approuver l'établissement et l'utilisation des systèmes supplémentaires de rapports financiers.

COMMENTAIRES DU MINISTÈRE

D'accord. Ce sera fait.

D'accord. Nous entreprendrons une étude pour déterminer les secteurs où la chose produirait les meilleurs résultats.

D'accord. Cela sera fait.

D'accord. Nous oeuvrerons dans ce sens.

D'accord. Cela sera fait.

D'accord. Nous ferons le nécessaire.

MINISTÈRE DES FINANCES ET SECRÉTARIAT DU CONSEIL DU TRÉSOR

Observations et recommandations en date du 30 avril 1975

Commentaires du Ministère en date du mois de juillet 1975

En plus des crédits affectés aux programmes du Ministère et du Secrétariat l'étude a porté sur les méthodes et usages touchant les comptes de prêts et de placements, les exigibilités, les dettes à vue, les comptes de dépôts et de fiducie et les comptes différés et spéciaux qui font partie des Comptes du Canada et figurent dans l'état de l'actif et du passif.

Du fait que la direction des finances, du personnel et de l'administration du ministère des Finances rend à la fois, des services administratifs et financiers, au ministère des Finances (Ministère) et au Secrétariat du Conseil du trésor (Secrétariat), les observations et recommandations se répartissent en trois parties, selon qu'elles concernent à la fois le Ministère et le Secrétariat, seulement le Ministère ou seulement le Secrétariat.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE ET DU SECRÉTARIAT

CONCERNANT ET LE MINISTÈRE ET LE SECRÉTARIAT

ORGANISATION

- Le directeur de la direction des finances, du personnel et de l'administration ou l'un des directeurs adjoints devrait avoir une formation comptable.
- D'accord. Ce serait en effet souhaitable.

ATTRIBUTIONS FINANCIÈRES

- Il conviendrait de définir et de communiquer dans le manuel d'administration interne les attributions de la division des services financiers en ce qui concerne les directives et conseils fonctionnels à donner en matière de finances.
- Nous préciserons le texte actuel du manuel d'administration interne d'ici le 31 août 1975.

FORMATION ET PERFECTIONNEMENT

- Le Ministère et le Secrétariat n'offrent aucun cours adéquat sur leurs systèmes de gestion et de contrôle financiers.

OBSERVATIONS ET RECOMMANDATIONS

La division des services financiers devrait offrir son programme de formation et de perfectionnement aux agents administratifs qui, dans les directions, ont des attributions financières.

CONTRÔLE COMPTABLE DES DÉPENSES

- Les demandes de chèque sont envoyées par lots aux bureaux payeurs du ministère des Approvisionnements et Services. Pour éviter la fraude et les erreurs, la division des services financiers devrait choisir un agent financier sûr qui serait indépendant de l'agent payeur et qui contrôlerait le dernier les demandes de chèque avant leur envoi pour s'assurer qu'elles ont été dûment autorisées en conformité des articles 26 et 27 de la Loi sur l'administration financière.

PAIE

- La distribution des chèques de paie laisse à désirer, car aucun agent indépendant n'exerce de contrôle qui permettrait d'écarter toute possibilité de fraude.

La division des services financiers devrait assumer la responsabilité fonctionnelle du contrôle financier de la paie et distribuer elle-même les chèques de temps à autre.

VERSEMENTS REÇUS DANS LE COURRIER

- L'employé qui dépouille le courrier n'inscrit pas les recettes au comptant en présence d'un collègue de façon à assurer que tous les revenus sont perçus et déclarés.

Il conviendrait d'assurer que l'employé qui dépouille le courrier respecte le règlement sur la réception et le dépôt des deniers publics.

Les employés de la salle centrale du courrier devraient marquer d'un cachet d'endossement spécial tous les chèques et autres titres négociables reçus dans le courrier pour éviter qu'on les encaisse sans y être autorisé.

La division des services financiers devrait procéder à un examen des modalités de dépouillement du courrier pour déterminer si l'on devrait tenir un brouillard aux dépôts de dossiers.

COMMENTAIRES DU MINISTÈRE ET DU SECRETARIAT

Aucun besoin général ou permanent ne le justifie. Les personnes qui ont besoin de formation suivent des cours de la Commission de la Fonction publique (C.F.P.) et assistent à des séances d'information spéciales de la division des services financiers.

Cette recommandation sera considérée.

D'accord.

Nous avons donné suite à cette recommandation.

Nous considérerons cette recommandation.

Les dépôts de dossiers ont maintenant leur brouillard.

AMEUBLEMENT ET MATÉRIEL

- Le Ministère et le Secrétariat devraient mettre en place en 1975 le système comptable qu'ils sont en train d'élaborer, de façon à rendre compte quantitativement de tout l'ameublement et de tout le matériel qu'ils achètent.
- Les gestionnaires des programmes et des centres de responsabilité devraient avoir à rendre compte de tout l'ameublement et de tout le matériel des services qui relèvent d'eux.

L'élaboration du système est presque terminée.

Une fois le nouveau système en place, les gestionnaires devront prendre la responsabilité de leurs actifs, c'est-à-dire, de leur ameublement et de leur matériel.

STOCKS

- La direction des finances, du personnel et de l'administration devrait établir des modalités de surveillance de l'application du nouveau système de contrôle des stocks afin de s'assurer qu'il sera en vigueur avant la fin de 1975.
- La direction des finances, du personnel et de l'administration devrait exercer un contrôle quantitatif sur tous les stocks d'ameublement, de matériel et de fournitures.

Une fois en place, le nouveau système fera l'objet d'un examen périodique dans le cadre du programme de vérification interne.

Le nouveau système prévoira les contrôles quantitatifs requis.

VÉRIFICATION INTERNE

- Les divers programmes et comptes du Ministère et du Secrétariat ne sont actuellement pas soumis à la vérification interne.

Le Ministère et le Secrétariat devraient établir une section de vérification interne qui vérifierait leurs programmes et activités et en ferait rapport.

Nous avons établi la nouvelle section.

**PRÉVISIONS DE PROGRAMME/BUDGET
PRINCIPAL DES DÉPENSES**

- Actuellement, le Ministère et le Secrétariat fondent leurs prévisions de programme sur les ressources approuvées les années précédentes, et non sur un plan qui soit fonction des besoins futurs.

Les prévisions de programme du Ministère et du Secrétariat devraient refléter les priorités de certaines activités et les besoins réels de ressources.

- Pour assurer qu'ils s'en tiennent davantage à leur budget, les gestionnaires des programmes et des centres de responsabilité devraient participer plus activement à l'élaboration du Budget principal des dépenses et de leur budget de fonctionnement.

S'il est vrai que les prévisions de programme augmentent chaque année sans changer de forme, il faut ajouter qu'elles se fondent sur nos priorités et sur un examen complet de nos besoins de ressources.

Il est difficile d'entrevoir comment les gestionnaires pourraient jouer un rôle plus actif dans ces domaines, mais nous étudierons la suggestion.

OBSERVATIONS ET RECOMMANDATIONS

- Quand ils planifient les ressources humaines, le Ministère et le Secrétariat supposent que l'on pourra trouver immédiatement les spécialistes recherchés et qu'on pourra les embaucher en peu de temps.

Les ressources humaines prévues au Budget des dépenses devraient tenir compte des limites de l'offre de spécialistes et de la lenteur de l'embauche.

BUDGETS D'EXPLOITATION

- Le nombre des centres de responsabilité devrait être réduit soit à un niveau de direction, soit à un niveau qui permettra le meilleur contrôle possible de l'emploi des ressources financières.
- La division des services financiers devrait fournir aux gestionnaires des centres de responsabilité une analyse comparative de leurs années-hommes et dépenses prévues et réelles de façons à leur laisser la responsabilité des mesures correctives et à les aider à préparer leurs budgets à venir.
- Les provisions pour salaires et les primes de vie chère devraient figurer dans les comptes rendus budgétaires dès qu'elles sont connues et entrent en vigueur.

RAPPORTS DE GESTION

- Les rapports de gestion du ministère des Approvisionnements et Services ne sont pas parfaitement clairs pour les gestionnaires de certains programmes et centres de responsabilité; ils contiennent de plus des erreurs et des lacunes qui ont tendance à ébranler la confiance que leur accordent les gestionnaires.

La division des services financiers devrait faire apporter les améliorations nécessaires de façon à rendre les rapports plus utiles aux gestionnaires des programmes et des centres de responsabilité.

Avant de distribuer les rapports de gestion, il conviendrait d'y corriger manuellement les erreurs importantes qui s'accumulent dans les états de codes erronés du ministère des Approvisionnements et Services, ainsi que les autres erreurs décelées, qui se répercutent sur les résultats de rendement des centres de responsabilité.

COMMENTAIRES DU MINISTÈRE ET DU SECRÉTARIAT

Ces deux facteurs entrent en ligne de compte au moment de l'élaboration des prévisions de programme et se reflètent dans le Budget principal des dépenses.

L'organisation actuelle convient à nos besoins, mais nous prendrons la suggestion en considération.

Nous leur fournissons chaque mois un état des écarts budgétaires en années-hommes et en dollars. Dans les cas exceptionnels au besoin, ils nous demandent ou nous leur donnons un supplément d'explications.

Nous examinerons les comptes rendus budgétaires pour voir s'il ne serait pas possible de faire ressortir davantage les provisions pour salaires.

Nous sommes d'accord. Nous étudierons la question d'ici le 1er novembre 1975.

Nous sommes d'accord.

OBSERVATIONS ET RECOMMANDATIONS

Un cadre supérieur de la division des services financiers devrait passer en revue et parapher les conciliations entre les rapports de sa division et ceux du ministère des Approvisionnement et Services.

SYSTÈMES SUPPLÉMENTAIRES

- En plus des systèmes dont il est expressément question dans la présente étude, le Ministère et le Secrétariat ont des systèmes comptables supplémentaires.

La division des services financiers devrait passer en revue les systèmes comptables supplémentaires ainsi que les registres pour mémoire du Ministère et du Secrétariat pour s'assurer que les contrôles financiers sont suffisants et que les systèmes ne font pas double emploi.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE ET DU SECRÉTARIAT

Nous ne sommes pas d'accord avec la recommandation. Cette formalité est inutile dans les cas où l'on concilie les comptes; mais elle est remplie, par exception, lorsqu'un problème se pose.

Nous prévoyons actuellement passer en revue tous nos systèmes comptables internes en tenant compte des fonctions opérationnelles spéciales du Ministère et du Secrétariat.

COMMENTAIRES DU MINISTÈRE

CONCERNANT LE MINISTÈRE

PRÊTS À RECEVOIR

- Étant donné le nombre des prêts (4,000 à 5,000 actuellement), la tenue de ces comptes par des méthodes manuelles se fait de plus en plus difficilement. Cette méthode ne permet pas non plus d'obtenir facilement des données complètes sur le nombre des prêts arriérés et les intérêts échus.

Le Ministère devrait terminer d'ici l'été 1975 le système automatisé de comptes, y compris des comptes de contrôle, qu'il est en train de mettre au point.

Le système devrait permettre de faire figurer dans les comptes rendus mensuels ou périodiques tous les paiements arriérés de capital et d'intérêts sur les prêts amortis ainsi que les intérêts à payer sur les prêts non amortis.

Le Ministère devrait envisager de faire payer des intérêts sur les versements arriérés sur des prêts amortis.

Ce système sera au point en 1975.

Le système en voie d'élaboration le permettra.

Nous sommes d'accord.

OBSERVATIONS ET RECOMMANDATIONS

Le Ministère devrait exposer avec précision ses modalités de recouvrement des prêts et établir un système de rappel qui permettrait d'assurer que toutes les mesures de recouvrement de prêts sont systématiquement portées sur un registre pour fin de consultation et perception.

PROGRAMME DES PRÊTS ET PROGRAMMES DU SERVICE DE LA DETTE PUBLIQUE

- Il y aurait lieu, pour éliminer tout double emploi, de confronter d'une part la comptabilité du grand livre détaillé supplémentaire dans lequel la division des services financiers tient les comptes du programme des prêts et du programme du service de la dette publique et d'autre part le système comptable de cette division ainsi que le système de rapports de gestion des fonds du ministère des Approvisionnements et Services.

PRÊTS GARANTIS À RECEVOIR

- Les systèmes et contrôles comptables actuels de recouvrement et de comptabilité des prêts impayés consentis aux étudiants et aux entreprises sont insuffisants.

Le Ministère devrait mettre en place un système comptable automatisé qui recevrait toutes les opérations comptables et pourrait à tout moment donner le solde courant de chaque prêt; le Ministère pourrait ainsi répondre à tous ses besoins de comptabilité et de comptes rendus financiers.

Chaque catégorie de prêt devrait avoir son compte de contrôle.

Il devrait être possible d'inscrire dans les comptes l'intérêt à recevoir sur tous les prêts impayés.

Le système comptable automatisé devrait, pour fin de contrôle et de rappel, fournir un relevé séparé de tous les prêts impayés inactifs, y compris les prêts radiés accompagnés de l'autorisation pertinente.

Il y aurait avantage à vérifier périodiquement l'existence des étudiants et les entreprises à qui le Ministère a consenti un prêt.

COMMENTAIRES DU MINISTÈRE

Nous allons décrire en détail nos modalités de recouvrement.

Cet examen comparatif est inutile à notre avis, puisque les systèmes actuels fonctionnent bien, répondent à nos besoins courants en matière d'information et de comptabilité et ne font pas double emploi.

Il est inutile et non économique de donner suite à la recommandation en ce qui concerne les prêts aux étudiants, car le système comptable automatisé de notre agent de recouvrement peut nous en donner chaque jour le solde courant. La recommandation vaut par contre en ce qui concerne les prêts aux entreprises pour lesquels nous avons établi un système automatisé.

Nous donnerons suite à la recommandation dans le cadre de notre prochain examen des systèmes.

Voir ci-dessus.

En mai, nous avons procédé à un essai en vue de réaliser cet objectif et sommes maintenant en train de mettre le système en place.

Nous sommes d'accord. Notre programme de vérification interne englobera la confirmation des soldes de prêts.

OBSERVATIONS ET RECOMMANDATIONS

Il faudrait définir et faire entrer dans le système comptable automatisé tous les comptes de prêts, y compris les prêts impayés consentis aux étudiants qui n'ont pas de numéros d'assurance sociale.

Le Ministère devrait produire un relevé mensuel ou périodique indiquant la catégorie et le montant total des prêts à recevoir, y compris les intérêts à recevoir sur les prêts aux étudiants et aux entreprises et les prêts impayés dont le coût n'a pas encore été fixé.

La division des services financiers devrait assurer la responsabilité fonctionnelle du système comptable du programme des prêts garantis.

Le Ministère devrait rembourser aux établissements de crédit les prêts impayés qu'il leur reprend seulement si ceux-ci lui en font la demande et lui fournissent toutes les pièces pertinentes.

Le Ministère devrait se doter d'une méthode convenable de classement chronologique des comptes, de façon à savoir, dès qu'il rembourse les établissements de crédit, si les prêts impayés sont recouvrables ou non.

Le système devrait permettre, au moyen de contrôles, d'empêcher les emprunteurs qui se sont montrés de mauvais payeurs d'obtenir un autre prêt dans le cadre du même programme ou d'autres programmes relevant d'autres ministères.

SYSTÈMES SUPPLÉMENTAIRES

- Il y aurait lieu, pour éliminer tout double emploi, de confronter d'une part le système comptable supplémentaire de la division des relations fédérales-provinciales et d'autre part le système comptable de la division des services financiers et le système de rapports de gestion de trésorerie du ministère des Approvisionnementnements et Services.

COMMENTAIRES DU MINISTÈRE

Nous avons commencé à donner suite à cette recommandation.

Nous donnerons suite à la recommandation.

La recommandation est conforme à notre politique.

Nous ne sommes pas d'accord avec la recommandation. Elle est irréalisable pour ce qui est des prêts aux étudiants, car ceux-ci sont nombreux et individuellement peu importants; de plus, les établissements de crédit n'ont pas de garantie et ne sont pas disposés à nous fournir de pièces à l'appui avant d'avoir été payés; nous ne pouvons donc effectuer la vérification des comptes que par la suite.

Notre essai du mois de mai portait entre autres sur ce point, et nous sommes en train de mettre la méthode en place.

Nous étudierons la question.

Cette confrontation est prévue dans notre programme d'examen des systèmes.

OBSERVATIONS ET RECOMMANDATIONS

- Il y aurait lieu, pour éliminer tout double emploi, de confronter d'une part le système comptable supplémentaire de la division des subventions aux municipalités, du Ministère, et les cartes registres des subventions compilées pour mémoire par la division des services financiers, et d'autre part le système comptable de cette dernière et le système de rapports de gestion des fonds du ministère des Approvisionnements et Services.
- Il y aurait avantage à modifier la liste des paiements de subvention aux municipalités, destinée aux Comptes publics, pour y inclure l'année d'imposition à laquelle se rapportaient les paiements de subvention ainsi que les sommes versées en vue d'améliorations locales et à d'autres fins.

COMMENTAIRES DU MINISTÈRE

Voir ci-dessus.

Nous étudierons la question.

OBSERVATIONS ET RECOMMANDATIONS CONCERNANT

COMMENTAIRES DU SECRÉTARIAT

LE SECRÉTARIAT

ANALYSE GÉNÉRALE DES AGENTS FINANCIERS

- Classés administrateurs financiers, les analystes de programme sont de ce fait censés posséder les connaissances et les aptitudes des administrateurs financiers et peuvent profiter des nombreuses occasions d'emploi qui se présentent au gouvernement dans le domaine de l'administration financière.

En raison de la nature particulière de leur travail, les analystes de programme du Secrétariat devraient, si ce dernier le juge approprié, constituer une catégorie autonome.

Nous étudions la question.

SYSTÈMES SUPPLÉMENTAIRES

Il y aurait lieu, pour éliminer tout double emploi, de transférer à la division des services financiers les registres autonomes pour mémoire et les systèmes comptables de la division des pensions et assurances du Secrétariat et de confronter ceux-ci avec le système comptable de la division des services financiers et le système de rapports de gestion des fonds du ministère des Approvisionnements et Services.

Nous avons transféré à la division des services financiers les systèmes comptables de la division des pensions et assurances et nous examinerons les registres que celle-ci tient encore pour mémoire.

**OBSERVATIONS ET
RECOMMANDATIONS CONCERNANT**

**COMPTE DE L'ASSURANCE-
HOSPITALISATION HORS DU CANADA**

- Il y aurait lieu, pour éliminer tout double emploi, de confronter d'une part le système comptable et statistique détaillé supplémentaire que la division des services financiers tient à l'égard du compte de l'assurance-hospitalisation hors du Canada et d'autre part le système comptable de cette division et le système de rapports de gestion des fonds du ministère des Approvisionnements et Services.

COMMENTAIRES DU SECRÉTARIAT

Cet examen comparatif est inutile à notre avis, car les systèmes actuels fonctionnent bien, répondent à nos besoins courants en matière d'information et de comptabilité et ne font pas double emploi.

GENDARMERIE ROYALE DU CANADA

Observations et recommandations en date du mois de juin 1975

Commentaires du Ministère en date du mois d'août 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

ORGANISATION DE LA FONCTION FINANCIÈRE

- Dans ses opérations, la Gendarmerie insiste sur la communication directe des rapports. Bien qu'on puisse constater un certain degré de contrôle fonctionnel, nous avons conclu, d'après certaines observations, qu'il y a place pour des améliorations dans ce domaine.

Pour améliorer les liens fonctionnels entre la direction générale des services et des approvisionnements et les agents des services financiers et des approvisionnements, au sein des divisions, il faudrait:

- a) que ces liens apparaissent clairement dans les organigrammes, dans les descriptions de postes et dans le manuel d'administration de la Gendarmerie;
- b) que l'on fasse des évaluations du rendement des personnes qui remplissent des fonctions liées aux finances dans les divisions, et que ces évaluations soient revues par des agents des services financiers qui, au quartier général d'Ottawa, sont chargés du contrôle et de la direction fonctionnelle du personnel des divisions; et

Nous sommes d'accord. C'est le directeur général des services et des approvisionnements qui, par la formulation et l'interprétation de principes financiers uniformes dans toute la Gendarmerie, exerce le contrôle fonctionnel des directions des finances dans les divisions, de même que dans les unités spécialisées ayant besoin de personnel de soutien financier. Cette tâche comporte la surveillance et le travail complémentaire nécessaires pour s'assurer que les responsabilités financières sont assumées de façon adéquate. Nous avons déjà pris des mesures pour définir plus clairement ces liens fonctionnels dans le manuel d'administration. Nous allons instaurer un programme destiné à mettre à jour les organigrammes et les descriptions de poste en vue de refléter ces liens fonctionnels.

OBSERVATIONS ET RECOMMANDATIONS

- c) que l'on insiste plus qu'on ne le fait actuellement sur la direction et le contrôle fonctionnel des services financiers de la Gendarmerie, surtout à l'occasion de l'établissement de nouvelles entités.

DOTATION DE LA FONCTION FINANCIÈRE

- La Gendarmerie a maintenu un personnel suffisant dans ses services financiers. Bien que quelques postes clés soient remplis par des fonctionnaires, la plupart le sont par des membres de la Gendarmerie.

Il faudrait envisager de fournir plus d'occasions d'avancement et de meilleures perspectives de carrière aux fonctionnaires qui ont des responsabilités financières, en vue d'attirer et de retenir le personnel voulu.

- Des cours officiels de formation et de perfectionnement en matière financière, pour la Gendarmerie, se donnent uniquement au quartier général à Ottawa, tandis que les divisions ont recours à la formation sur place pour instruire leur personnel.

La direction de la formation de la direction générale de l'organisation et du personnel, en collaboration avec la direction générale des services financiers et des approvisionnements, devrait organiser, sur une base régulière, des cours de formation et de perfectionnement en matière financière à l'usage des divisions.

- Les descriptions de poste ne sont pas mises à jour de façon régulière et ne sont pas rédigées de manière à refléter, en termes bien définis, les attributions et les tâches financières ainsi que les liens fonctionnels.

Il faudrait réviser les descriptions de postes de façon à ce qu'elles définissent nettement les tâches et les attributions, ainsi que les liens fonctionnels des employés des services financiers. Par la suite, il faudrait en revoir le texte de façon régulière.

COMMENTAIRES DU MINISTÈRE

Le directeur général des services et des approvisionnements étudie les évaluations de rendement lorsque des mesures de sélection ou de promotion doivent être prises; toutefois, nous allons envisager l'adoption d'un système qui permettra de lui soumettre régulièrement ces évaluations.

Grâce à une redistribution des attributions au cours de l'année dernière, nous avons mieux reconnu la contribution de plusieurs employés précieux en haussant sensiblement leur niveau de classification. La Gendarmerie est tout à fait consciente de la nécessité d'attirer et de retenir du personnel compétent et elle continuera de mettre l'accent sur l'amélioration des perspectives de carrière des fonctionnaires.

Nous sommes d'accord. Nous avons déjà demandé à la direction de la formation d'aider à organiser un programme de formation applicable au niveau des divisions.

Nous sommes d'accord. Nous allons mettre sur pied un système qui permettra de revoir, de façon régulière, les descriptions de poste et d'identifier les liens fonctionnels.

**COMMUNICATIONS DES BESOINS
D'ORDRE FINANCIER**

- Le manuel d'administration n'explique pas suffisamment tous les aspects des systèmes et des méthodes de gestion et de contrôle financiers, actuellement en usage.

La Gendarmerie devrait s'assurer que le contenu financier de son manuel d'administration est complet.

Le manuel d'administration est essentiellement destiné à l'ensemble du personnel de l'extérieur et il n'est pas fait pour exposer en détail les systèmes et méthodes adoptés par les seules unités financières. Nous avons constaté depuis assez longtemps la nécessité de fournir au personnel des finances un manuel traitant exhaustivement des méthodes et des principes financiers; le travail de préparation de ce manuel est en cours.

**PRINCIPES ET MÉTHODES DE
CONTRÔLE DES DÉPENSES ET DES
REVENUS**

- La Gendarmerie est extrêmement consciente de l'importance d'une bonne gestion et d'un contrôle des finances, et c'est pourquoi elle s'est attachée à mettre continuellement à jour ses méthodes et systèmes financiers, afin de répondre à l'évolution des besoins. On pourrait apporter d'autres améliorations au contrôle des dépenses et des revenus, notamment en ce qui a trait à la vérification interne actuelle, à l'utilisation accrue de documents uniformes et prénumérotés, à la vérification des rapports d'information de gestion, et à la manière dont on tient certains registres auxiliaires de revenus.

Au moment de préparer la révision de la section financière du manuel d'administration, la Gendarmerie devrait apporter les modifications voulues aux systèmes et méthodes de comptabilité des dépenses et des revenus afin d'obtenir des données financières complètes, exactes et sûres, de la source jusqu'au traitement et à la communication.

Dans le cadre du nouveau manuel de méthodes et de principes financiers, que nous préparons, nous avons l'intention d'évaluer et d'expliquer tous les systèmes de contrôle des dépenses et des revenus utilisés dans la Gendarmerie.

**APPROVISIONNEMENTS ET BIENS
D'INVESTISSEMENTS**

- La Gendarmerie devrait préparer et diffuser des méthodes d'inventaire appropriées, y compris des directives sur le temps d'arrêt des achats et des livraisons, la désuétude et la façon de compter et de concilier les stocks physiques.

Les registres et les méthodes d'inventaire en vigueur dans la Gendarmerie permettent d'exercer un contrôle strict et nous n'avons éprouvé aucune perte sérieuse. Toutefois, les consignes imprimées sur les diverses formules de l'administration autorisent, en effet, différentes façons de tenir les registres d'inventaire et de les concilier avec les stocks réels. Nous allons élaborer une méthode plus précise qui figurera dans le manuel des méthodes et des principes financiers.

AVANCES DE FONDS DE ROULEMENT

- Dans certaines divisions, l'administration et le personnel s'occupent du fonctionnement quotidien du mess, tandis que le personnel des services financiers et des approvisionnements est chargé d'autoriser les dépenses et de déposer les fonds du mess.

La Gendarmerie devrait, en ce qui concerne le fonctionnement du mess au niveau des divisions, envisager de procéder à une nouvelle répartition des pouvoirs et des responsabilités entre les directions en cause afin d'instaurer un meilleur contrôle financier dans ce secteur.

À l'origine, nous avons établi les méthodes de contrôle suivies par les mess au niveau des divisions en vue d'assurer une répartition adéquate des responsabilités à une époque où nous n'avions pas d'agents financiers dans les divisions. Nous allons étudier cette recommandation en vue de confier toute la gestion des mess à un seul centre de responsabilité et d'élaborer des méthodes bien précises, y compris de fixer les liens fonctionnels avec le quartier général à Ottawa.

- À partir du 1er avril 1975, l'avance de fonds de roulement de l'habillement a été étendue aux produits finis d'habillement et aux accessoires emmagasinés à la Gendarmerie.

La Gendarmerie devrait s'assurer que l'inventaire initial de l'habillement et des accessoires est fait avec soin, qu'il comprend les stocks conservés au dépôt de la division de Regina, et que des principes adéquats d'établissement des prix de revient, complétés d'un système comptable approprié de coûts, sont exposés et respectés.

VÉRIFICATION INTERNE

- La Gendarmerie dispose maintenant de deux unités officielles de vérification qui fonctionnent de façon indépendante l'une de l'autre; ce sont l'unité de vérification financière et l'unité de vérification des opérations. La première relève du directeur des services et approvisionnements; la seconde fait partie du secrétariat du Commissaire envers qui elle est comptable.

Il faudrait établir un comité de vérification qui assumerait la direction et la surveillance de toutes les vérifications internes de la Gendarmerie ainsi que l'examen des constatations.

La Gendarmerie devrait regrouper l'unité de vérification financière et l'unité de vérification des opérations en une seule section qui relèverait du comité de vérification.

Le fonctionnement de l'avance de fonds de roulement applicable à l'habillement et aux accessoires (uniformes) en est encore au stade de développement; plus tard dans l'année, nous y ajouterons un contrôle informatisé des stocks. Nous élaborons ce système en étroite collaboration avec le personnel du Conseil du trésor. Nous reconnaissons parfaitement la nécessité d'identifier avec beaucoup de précision les stocks initiaux et d'adopter des principes adéquats d'établissement des prix de revient. Nous étudions, à titre d'alternative à l'inclusion de ces stocks dans l'avance de fonds de roulement, la possibilité d'établir un système d'inventaire auxiliaire en vue de contrôler le stock maintenu au dépôt de la division. Nous comptons que la mise en oeuvre du système sera complétée le 1er avril 1976.

Nous sommes d'accord. Nous reconnaissons les avantages qu'offre un comité de vérification et nous prenons des mesures immédiates pour en déterminer la composition et le mandat.

La présente unité de vérification des opérations a été formée en 1974 pour remplacer une équipe d'inspection qui réglait surtout des questions de respect des politiques. Nous avons établi l'unité de vérification financière pour assumer la responsabilité des vérifications a posteriori confiées à notre administration à la suite des modifications apportées à la Loi sur l'administration financière en 1969. Le regroupement des deux unités semble constituer une mesure raisonnable et cette recommandation fera l'objet d'une étude qui portera plus particulièrement sur la possibilité de confier au comité de vérification la responsabilité de l'unité de vérification financière, par l'entremise du chef de l'unité de vérification des opérations.

OBSERVATIONS ET RECOMMANDATIONS

- On n'a pas suffisamment insisté sur l'évaluation des systèmes et des méthodes de contrôle interne avant de déterminer l'étendue des vérifications. Les attributions de l'unité de vérification financière n'englobent pas tous les secteurs financiers de la Gendarmerie, par exemple, la paie.

Il conviendrait d'étendre, de revoir et de décrire les responsabilités et les méthodes de vérification de façon qu'elles englobent tout ce qui a trait aux revenus et aux dépenses.

CONTRÔLE BUDGÉTAIRE

- La Gendarmerie a envisagé d'établir des unités de planification dans les divisions. Bien que certaines divisions aient mis sur pied des unités de planification, les agents de planification des divisions ne semblent pas avoir reçu, de la direction de la planification à Ottawa, la formation, l'orientation et l'aide voulues pour leur permettre d'apporter une contribution efficace à la gestion de leur division.

La Gendarmerie devrait encourager davantage l'établissement de moyens appropriés de planification à long terme au niveau des divisions, avec à l'appui un personnel compétent.

- Depuis quelque temps, la Gendarmerie se préoccupe de la nécessité d'une planification à long terme du contrôle budgétaire et des complications qui en découlent. Elle obtiendrait une amélioration accrue dans ce domaine si elle insistait davantage sur certains aspects de la planification à long terme.

COMMENTAIRES DU MINISTÈRE

Nous avons commencé à élaborer des méthodes de vérification financière qui répondraient aux besoins particuliers de la Gendarmerie. Nous projetons de terminer ce travail avant la fin de l'année financière 1975-1976 et nous les incluons dans le nouveau manuel des méthodes et des principes financiers.

Nous avons pensé pendant longtemps que la planification à long terme, au quartier général d'Ottawa, était la clé d'un contrôle efficace du budget. La nomination récente d'un nouvel agent de planification, au quartier général, en même temps que l'établissement progressive d'unités de planification dans toutes les divisions vont permettre l'amélioration de la planification à long terme sur une base plus décentralisée.

La Gendarmerie revoit chaque année ses plans à long termes et les résultats apparaissent dans sa publication qui traite des principes et des objectifs. La forme actuelle de ce document ne permet pas de l'intégrer dans la soumission des prévisions de programme et il ne se prête ni à une surveillance ni à une appréciation efficace de rendement, non plus qu'à une saine utilisation des ressources. Il semble que le rôle et les attributions du personnel affecté à la tâche de reviser les programmes et les projets permanents en vue de déterminer l'efficacité et les priorités des études coûts-avantages ne soient pas suffisamment précisés de façon formelle.

La publication sur les principes et les objectifs de la Gendarmerie devrait être suffisamment formelle pour permettre des comparaisons précises et évidentes entre le Budget principal des dépenses et les résultats obtenus en termes qualitatifs et quantitatifs. Il faudrait exposer dans la section sur les finances du manuel d'administration les systèmes, les principes et les méthodes applicables au processus de la planification, de la prévision et de l'évaluation des processus.

- Il s'est formé un sous-comité officieux qui réunit certains membres de la commission de la planification et du comité du budget; ce sous-comité décide de questions d'ordre financier sans consulter formellement tous les membres du comité.

La Gendarmerie devrait s'assurer que seuls les agents officiellement autorisés peuvent prendre les décisions importantes en matière de planification, d'affectation des ressources ou de budget; il conviendrait aussi que ces décisions, accompagnées d'explications pertinentes soient communiquées en temps voulu, aux directeurs concernés des secteurs des finances et des opérations.

Lors de la préparation du nouveau manuel des méthodes et principes financiers, nous nous proposons d'expliquer le processus du cycle budgétaire, et de prévoir, de la part du quartier général et des unités de planification des divisions, une surveillance plus formelle des programmes, en termes de résultats obtenus.

La commission de planification officielle approuve les principes et les objectifs, de même que les prévisions de programme et les plans du Budget principal des dépenses. Un comité plus restreint, composé de cadres supérieurs et présidé par le sous-commissaire à l'administration, a reçu l'autorisation de prendre des décisions, au niveau de l'exécution, afin d'atteindre des objectifs définis selon des lignes directrices générales. Nous avons adopté un processus qui assure que le texte de ces décisions parviendra, suivant un calendrier régulier, à tous les membres de la commission de planification officielle.

OBSERVATIONS ET RECOMMANDATIONS

- Dans toute la Gendarmerie, on insiste sur le contrôle des ressources et des budgets en termes d'années-hommes et de dépenses totales. On tient compte du niveau des opérations en termes d'activités et de réalisation de plans et d'objectifs justifiés, mais on ne le fait de façon ni complète ni formelle. La Gendarmerie est en train de mettre à l'essai un système de mesure du rendement de l'exploitation qui, espère-t-elle, va aider à contrôler les ressources par activité. La décentralisation constante des responsabilités et des pouvoirs au sein de la Gendarmerie exige que les divisions améliorent leurs systèmes budgétaires en vue de rendre compte de l'utilisation des ressources et de réaliser les plans et les objectifs fixés.

La Gendarmerie devrait établir dans chaque division un système de contrôle budgétaire approprié qui correspondrait aux pouvoirs et aux responsabilités accordés à la division. Ce système devrait insister davantage sur le recours à des rapports fondés sur les activités en vue de surveiller et de contrôler l'utilisation des ressources.

Il faudrait former au sein des divisions des comités officiels des budgets qui comprendraient au moins l'officier commandant, l'agent des services financiers et des approvisionnements, l'agent d'administration et du personnel et l'agent de la planification; chaque comité serait chargé du contrôle budgétaire dans sa division.

RAPPORTS FINANCIERS

- Le ministère des Approvisionnements et Services a délégué à la Gendarmerie un agent des services d'administration chargé de veiller au traitement des opérations financières, à l'administration de la paie des membres de la Gendarmerie et à la préparation des principaux rapports financiers. Cet agent des services d'administration ne s'occupe que des besoins de la Gendarmerie et n'a la charge d'aucun autre ministère.

COMMENTAIRES DU MINISTÈRE

Le système de contrôle budgétaire actuellement en vigueur est conçu de façon à correspondre aux responsabilités incombant aux divisions. Du point de vue de la structure organique de la Gendarmerie au niveau des divisions, nous n'avons pas trouvé pratique, comme moyen de contrôle, le recours aux rapports fondés sur les activités. Nous allons étudier cette recommandation en vue de déterminer quel est le système de contrôle budgétaire le plus efficace.

Avec la formation des unités de planification dans les divisions, nous nous proposons, conformément à cette recommandation, de donner un caractère officiel aux comités officiels des budgets qui existent déjà.

Il faudrait bien préciser le rôle, les fonctions, les attributions et les pouvoirs de l'agent des services d'administration à la Gendarmerie, de même que le contrôle fonctionnel que la Gendarmerie exerce sur cet agent.

- L'agent des services d'administration pourvoit aux besoins de la Gendarmerie à l'aide d'un système financier informatisé indépendant mais néanmoins relié, aux systèmes utilisés par le ministère des Approvisionnements et Services. Il semble pourtant que les installations informatiques dont dispose l'agent des services d'administration ne répondent pas parfaitement aux besoins de la Gendarmerie.

La Gendarmerie devrait veiller à ce que les installations informatiques, dont dispose l'agent des services d'administration, permettent d'obtenir en temps opportun les renseignements de gestion financière.

Il faudrait bien expliquer les systèmes et les méthodes de l'agent des services d'administration et les communiquer au personnel intéressé de la Gendarmerie.

- Le quartier général d'Ottawa n'a pas suffisamment expliqué ni communiqué à toute la Gendarmerie l'objet des rapports financiers et les avantages que les utilisateurs peuvent en tirer.

La Gendarmerie devrait s'assurer que son système d'information de la gestion financière répond aux besoins du personnel aux niveaux du quartier général et des divisions, et envisager sérieusement d'expliquer l'utilité de chaque rapport.

- On obtient de l'information de gestion financière supplémentaire de divers autres systèmes de rapports exploités par certaines directions de la Gendarmerie et par d'autres ministères. La responsabilité de la conception des systèmes, du traitement, des rapports et du contrôle repose sur le groupe utilisateur en cause. Ces systèmes supplémentaires ne constituent pas tous une simple branche du système de rapports principal. C'est ainsi qu'il surgit des différences et des inexactitudes.

Nous sommes d'accord. Il existe une entente fort satisfaisante entre la Gendarmerie et l'agent des services d'administration; toutefois, nous n'avons pas défini de façon précise son rôle, ses fonctions, ses attributions et ses liens fonctionnels. Nous allons corriger cette situation.

Nous avons commencé une étude visant à déterminer le modèle d'ordinateur qui répondrait le mieux aux besoins de la Gendarmerie. Cette étude visera également à une mise à jour des rapports financiers requis, et l'on en profitera pour expliquer les systèmes et les méthodes appropriés dans le manuel des méthodes et principes financiers.

OBSERVATIONS ET RECOMMANDATIONS

La Gendarmerie devrait s'assurer que tous les systèmes de rapports supplémentaires sur la gestion financière sont bien présentés dans le manuel d'administration et qu'ils s'intègrent parfaitement au système principal de rapports. On devrait confier la responsabilité de la conception et du fonctionnement de tous les systèmes supplémentaires d'information de gestion financière à la section du contrôle et des rapports financiers de la direction de la gestion financière.

- La Gendarmerie, par l'entremise de la direction générale du Centre d'information de la Police canadienne (Centre), exploite un complexe électronique élaboré qui traite surtout les données sur l'application et le respect de la loi. L'accessibilité des ordinateurs du Centre a amené la Gendarmerie à lui confier certaines parties de ses besoins d'information de gestion. Ceci a été fait avant la fin de l'étude des opérations informatisées de l'agent des services d'administration. Compte tenu des effectifs actuels de cette direction générale, des risques supplémentaires au chapitre de la sécurité, du conflit qu'il y a avec l'objectif principal du Centre, et à cause aussi du rôle futur de l'agent des services d'administration ainsi que des problèmes de comptabilité et d'intégration des systèmes d'ordinateur, il serait préférable de ne pas avoir recours au Centre pour obtenir de l'information de gestion financière.

La Gendarmerie devrait envisager de centraliser, dans toute la mesure possible, son système d'information de gestion entre les mains de l'agent des services d'administration.

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord. Nous prendrons les mesures nécessaires.

La commission de planification a longuement discuté cette question. Pour des raisons de sécurité, elle a préféré utiliser les installations du Centre pour produire certains genres de rapports de gestion. Toutefois, nous allons examiner la praticabilité de cette recommandation en même temps que nous mènerons l'étude visant à déterminer les besoins en matériel informatique de l'agent des services d'administration.

MINISTÈRE DE L'INDUSTRIE ET DU COMMERCE

Observations et recommandations en date du mois de décembre 1974

Commentaires du Ministère en date du mois de mai 1975

Notre étude a porté sur tous les services du Ministère qui relèvent du sous-ministre. Nous avons donc spécifiquement exclu le Groupe des céréales et les entités suivantes:

L'Agence d'examen de l'investissement étranger
Commission d'aide générale de transition
Conseil consultatif de la machinerie et de l'équipement
Commission du système métrique
Conseil national de l'esthétique industrielle
Comité consultatif du développement de l'industrie pharmaceutique
Commission du textile et du vêtement
Conseil consultatif du ministre

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

FONCTIONNAIRE SUPÉRIEUR DES FINANCES

- Le Ministère devrait désigner un fonctionnaire supérieur des finances, qui siègerait au comité de la haute direction.

Nous étudions actuellement la question.

COMMUNICATION ENTRE LA DIRECTION DES SERVICES FINANCIERS ET LES AUTRES DIRECTIONS

- Les agents des finances et les agents de l'administration qui s'occupent des finances à l'extérieur de la direction des services financiers ne relèvent ni directement ni fonctionnellement d'un fonctionnaire supérieur des finances.

Les agents des finances et les agents de l'administration de l'extérieur de la direction des services financiers devraient relever fonctionnellement d'un fonctionnaire supérieur des finances.

- Les agents administratifs des diverses directions ont des contacts avec les fonctionnaires de la direction des services financiers, de préférence avec ceux qu'ils connaissent qu'avec ceux qui pourraient le mieux les aider ou les conseiller.

Nous établirons des liens fonctionnels et développerons des méthodes qui permettront à l'administration de jouer un rôle fonctionnel.

OBSERVATIONS ET RECOMMANDATIONS

Un agent présentement à la direction des services financiers devrait servir d'intermédiaire entre ses collègues et ceux de l'administration.

MANUEL FINANCIER

- Le Ministère devrait fixer le délai d'achèvement le plus court possible de son manuel financier.

SUBVENTIONS ET CONTRIBUTIONS

- À l'exception de trois programmes d'aide sous forme de contributions, ni le bénéficiaire, ni le montant des subventions et autres formes de contribution ne figurent dans les Comptes publics.

Les Comptes publics du Canada devraient énumérer toutes les subventions et contributions supérieures à un certain montant (\$25,000, par exemple).

ÉQUIPEMENT

- Il faudrait concilier le coût de l'équipement acquis au cours de l'année avec le total des dépenses annuelles de chacun des articles courants de dépenses appropriées.

VÉRIFICATION INTERNE

- La vérification interne relève du directeur général de la direction des services financiers. Une bonne partie de l'étendue du travail de la vérification interne porte directement sur le rendement de la direction des services financiers.

La vérification interne devrait faire part de l'étendue de son travail et de ses conclusions d'importance à un haut fonctionnaire de gestion à l'extérieur de la direction des services financiers ou à un comité de vérification réunissant plusieurs membres de la haute direction.

STRUCTURE PAR ACTIVITÉ ET MESURES DU RENDEMENT

- Le Ministère devrait ventiler ses programmes par élément d'activité dans son système comptable et établir des mesures de rendement des activités, là où la direction pourrait en tirer profit.

COMMENTAIRES DU MINISTÈRE

Nous désignerons un agent de liaison parmi les fonctionnaires de la direction des services financiers qui servira d'intermédiaire entre ses collègues et ceux de l'administration.

Nous avons fixé le délai d'achèvement du manuel financier. Il devrait être terminé le 31 décembre 1975.

Nous étudions actuellement les conséquences de la divulgation de ces renseignements et nous en discuterons avec le Receveur général.

Les stocks d'équipement seront enregistrés dans nos comptes de contrôle en 1975-1976.

Nous étudions la possibilité d'établir le comité.

Nous ventilerons les programmes par élément d'activité et on est à établir une base de données en vue de faciliter la « mesure du rendement ».

**FONCTION DE PLANIFICATION
ANNUELLE**

- Les gestionnaires des centres de responsabilité devraient être informés officiellement des objectifs de la haute direction avant de commencer à élaborer le plan de travail de l'année et la préparation des prévisions de programme.

La direction donne aux gestionnaires des centres de responsabilité l'orientation de la planification et de la politique des prévisions annuelles de programme. Ces renseignements seront précisés dans les années à venir.

RAPPORTS FINANCIERS

- Il faudrait pousser d'avantage l'examen des services du ministère des Approvisionnements et Services (M.A.S.) pour éviter le plus possible que le ministère de l'Industrie et du Commerce (M.I.C.) et le M.A.S. préparent les mêmes données en vue du système de rapports.

Nous poursuivons une étude continue pour réduire au minimum le double emploi entre le M.I.C. et le M.A.S.

INFORMATION CANADA

Observations et recommandations en date du mois de décembre 1974

Commentaires du Ministère en date du mois d'août 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

RESPONSABILITÉ FINANCIÈRE

- Le spécialiste financier supérieur du Ministère est complètement isolé du comité de direction, de la direction de la planification et de l'administration du Ministère.

Le spécialiste financier supérieur du Ministère devrait faire partie du comité de direction.

Nous étudierons cette recommandation en temps utile.

DOTATION DE POSTES FINANCIERS

- Il y a eu un fort taux de roulement chez les agents et le personnel financiers du Ministère, et celui-ci doit faire appel principalement à des employés occasionnels et temporaires.

Le Ministère devrait nommer dès que possible des employés permanents et compétents aux postes vacants de la division des services financiers.

Nous avons mis le recrutement au premier plan de nos efforts; cependant, le personnel financier qualifié fait défaut et, par surcroît, il a peu de perspectives d'avancement chez nous. Depuis l'étude, la plupart des postes ont été comblés.

COMMUNICATION DES CONSIGNES ET FONCTIONS FINANCIÈRES

- La description et la communication des méthodes et fonctions financières laissent à désirer.

Le manuel financier du Ministère devrait être achevé dès que possible.

Nous avons terminé la rédaction du manuel; il est maintenant à la traduction.

Il faudrait améliorer, grâce à des réunions et à des rapports périodiques, les communications internes entre les agents financiers et les gestionnaires organiques. Il faudrait aussi promouvoir de meilleures communications à l'intérieur de la division des services financiers en diffusant des descriptions de tâche, des méthodes de travail et des organigrammes plus précis ainsi qu'en offrant un programme de formation interne dispensé par les hauts fonctionnaires.

Nous accordons actuellement une plus grande attention aux communications internes entre d'une part, les agents financiers et d'autre part, les gestionnaires organiques et le personnel financier.

**CONTRÔLE DES DOCUMENTS DE
DÉPENSE**

- Le Ministère n'a pas de mode de contrôle, par numéros et autres, des documents de dépense qui garantirait que le paiement des comptes se fasse sans erreur, omission ni double emploi.

Il faudrait mettre en usage des documents de réception et des demandes de chèque prénumérotés, et en surveiller l'utilisation. Il faudrait exercer des contrôles comptables sur les documents de dépense avant d'en demander l'approbation définitive, et non après.

Nous instaurerons les contrôles comptables recommandés.

PAIE

- La paie et le personnel relèvent tous deux des services du personnel. Ce défaut de séparation des tâches constitue une lacune fondamentale du contrôle interne.

Il faudrait séparer convenablement les tâches reliées à tous les aspects de la paie. Il faudrait envisager la possibilité de transférer aux services financiers la charge d'établir et de distribuer la paie.

- Il est déjà arrivé que des employés soient trop rémunérés, parce que le Ministère ne s'était pas conformé à la marche à suivre. Il faudrait prendre des mesures pour que les surveillants remplissent sans retard les certificats de départ des employés et les autres documents reliés à la paie.

Nous envisagerons la possibilité d'appliquer cette recommandation lors d'une éventuelle grande réorganisation.

Nous avons élaboré et mis en oeuvre une méthode d'établissement des certificats de départ.

**REVENUS, COMPTES À RECEVOIR ET
FONDS RENOUVELABLES**

- Les factures non réglées des fournisseurs ne figurent pas à titre de comptes à payer dans les rapports financiers mensuels du Fonds renouvelable des expositions, et les comptes rendus du Fonds renouvelable de l'édition ne font apparaître aucune somme courue en fin de mois. On ne dispose donc pas d'information sûre pour surveiller la situation financière et les résultats d'exploitation de ces fonds pendant l'année.

Il faudrait établir des rapports financiers mensuels des fonds renouvelables d'après les principes de la comptabilité d'exercice.

Nous avons donné suite à cette recommandation et établi de nouveaux états pour le Fonds renouvelable de l'édition, selon la méthode de comptabilité d'exercice.

OBSERVATIONS ET RECOMMANDATIONS

Le Fonds renouvelable des expositions n'a pas - et n'aura pas, selon les prévisions - suffisamment de revenus pour faire ses frais. En novembre 1974, le solde déclaré du Fonds dépassait de \$170,000 la limite autorisée, et les paiements aux fournisseurs avaient été suspendus en raison du manque de fonds. Ceci est attribuable aux pertes d'exploitation du fonds ainsi qu'aux retards de recouvrement des comptes à recevoir d'autres ministères fédéraux.

Les exploitations de la direction des expositions ne devraient pas être financées par un fonds renouvelable; sinon, il faudrait prendre des mesures correctives afin que les revenus compensent toutes les dépenses.

- La politique de crédit illimité et les faiblesses du contrôle interne des revenus et des comptes à recevoir, pour le Fonds renouvelable de l'édition, sont à l'étude. La politique de crédit n'est pas conforme aux lignes directrices du Conseil du trésor et elle a compliqué considérablement le recouvrement et l'administration d'un grand nombre de petits comptes en souffrance.

On devrait rendre plus sévère la politique actuelle de crédit, de préférence en vendant les publications contre paiement au comptant, ou faire approuver cette politique chaque année par le Conseil du trésor.

L'octroi du crédit et la perception des comptes échus devraient être séparés de la tenue des comptes à recevoir.

Le Ministère devrait faire un plus grand usage et contrôler l'utilisation de formules prénumérotées pour le crédit, la facturation, les comptes à recevoir et la perception.

COMMENTAIRES DU MINISTÈRE

Le Conseil du trésor examine actuellement le rapport du groupe d'étude touchant les expositions.

Nous avons révisé notre politique de crédit.

Nous avons donné suite à cette recommandation.

Nous donnerons, là où cela est possible, suite à cette recommandation.

OBSERVATIONS ET RECOMMANDATIONS

- Le Ministère n'a pas encore réussi à déterminer avec précision le montant des subventions à porter au crédit du Fonds renouvelable de l'édition et à imputer à l'activité service d'édition et de diffusion du crédit 10. Ces subventions visent à promouvoir l'édition, la vente et la diffusion des publications gouvernementales. Lors de notre étude, les registres du Fonds renouvelable de l'édition ne tenaient pas compte non plus des imputations quant au stock initial transféré du Ministère, des revenus tirés de services rendus, des frais d'intérêts courus sur les avances ni des factures non réglées des fournisseurs.

Il n'aurait pas fallu demander la formation du Fonds renouvelable de l'édition avant d'avoir mis au point les politiques financières et les méthodes comptables nécessaires à un contrôle financier efficace.

Le Ministère devrait veiller à ce que les efforts qu'il déploie actuellement pour mettre au point des principes ou des formules servant au calcul de cette subvention pour le Fonds renouvelable de l'édition soient couronnés de succès et conduisent dès que possible à l'application de ces méthodes.

- Le système actuel de comptabilité et de contrôle des stocks du Fonds renouvelable de l'édition laisse à désirer et est actuellement étudié par des conseillers en gestion.

Le Ministère devrait améliorer les registres auxiliaires de stock pour qu'ils soient plus exacts et davantage à jour. Il faudrait aussi instaurer des méthodes particulières afin:

- a) qu'on procède de façon indépendante au dénombrement périodique des articles stockés et à leur conciliation avec les registres auxiliaires de stock; et
- b) qu'on tienne des comptes de contrôle du stock, ainsi que des registres détaillés au besoin, dans le cas des publications en consignation et de celles détenues par chaque librairie régionale.

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord. Nous n'avions pas prévu les difficultés que poserait la tenue de ce Fonds renouvelable.

Nous avons mis en place une méthode adéquate de détermination et d'imputation de ces frais.

Nous avons élaboré un système approprié et sommes en train de le mettre en place.

IMMOBILISATIONS

- Le Ministère tient des registres auxiliaires des immobilisations, mais n'a jamais procédé à un dénombrement pour vérifier l'exactitude des registres d'immobilisations du Fonds renouvelable des expositions.

Il faudrait compter chaque année tous les articles d'immobilisation et les concilier avec les registres auxiliaires correspondants.

Nous avons donné suite à cette recommandation.

VÉRIFICATION INTERNE

- Le service de vérification interne du Ministère est temporairement composé de deux personnes dont aucune ne possède de formation théorique dans le domaine.

Le Ministère devrait veiller à ce que les personnes affectées à son service de vérification interne possèdent la compétence, l'expérience et l'encadrement voulus.

Nous avons relevé les postes du service de vérification et engagé un vérificateur compétent.

PRÉPARATION DU BUDGET

- Le système appliqué ne garantit pas que les renseignements budgétaires émanant des directions sont conformes aux objectifs du Ministère.

Les méthodes de préparation et d'examen du budget devraient être fondées sur des exposés précis des objectifs, plans et buts, exprimés si possible sous forme quantitative.

Les gestionnaires des centres de responsabilité devraient participer davantage à la préparation et au contrôle du budget.

La nouvelle direction de la planification accordera une importance particulière à la mise en oeuvre de cette recommandation.

CONTRÔLE DES AFFECTATIONS

- Les virements d'une sous-affectation ministérielle à une autre ne sont pas toujours autorisés ni enregistrés.

On ne devrait pas permettre le dépassement des sous-affectations sans un virement dûment autorisé de fonds provenant d'autres sous-affectations.

Depuis l'étude, nous avons élaboré et mis en oeuvre un meilleur système de contrôle budgétaire.

CONTRÔLE DES ENGAGEMENTS

- On ne peut se fier aux rapports mensuels de contrôle des engagements et de la trésorerie en raison des écarts entre les points d'arrêt pour les entrées des données d'engagement et de dépense.

OBSERVATIONS ET RECOMMANDATIONS

Il faudrait que les entrées des données d'engagement et de dépense qui servent de base aux rapports mensuels de contrôle des engagements et de la trésorerie soient arrêtées à la même date.

RAPPORTS FINANCIERS

- Le système actuel de rapports financiers ne satisfait pas tous les besoins importants des gestionnaires d'exploitation.

Les états financiers des fonds renouvelables devraient donner des résultats mensuels complets et fournir le total cumulatif depuis le début de l'année ainsi que les chiffres comparatifs de l'année précédente.

Il devrait y avoir davantage de communication entre les agents financiers et les gestionnaires organiques concernant les besoins de données financières et leur utilité. La forme, le contenu et la date de production des rapports de gestion financière devraient être définis officiellement dans le manuel de gestion financière du Ministère.

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord; nous avons donné suite à cette recommandation.

Nous sommes en train de mettre au point un système complet d'information de gestion qui devrait entrer en application en 1975-1976.

MINISTÈRE DE LA MAIN-D'OEUVRE ET DE L'IMMIGRATION

Observations et recommandations en date du mois de décembre 1974

Commentaires du Ministère en date du mois de mai 1975

Notre étude n'a porté que sur les programmes relevant du sous-ministre; nous avons donc exclu les dépenses d'exploitation des crédits suivants:

Crédit 25: Commission d'appel de l'immigration

Crédit 30: Commission d'assurance-chômage

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

AGENT FINANCIER DÉSIGNÉ

- Le Ministère devrait désigner, au niveau du sous-ministre adjoint, un fonctionnaire supérieur des finances doté d'une longue expérience des finances qui devrait siéger au comité de la haute direction.

Nous avons désigné à titre de fonctionnaire supérieur des finances le sous-ministre adjoint intérimaire de l'administration; il est comptable agréé et possède une longue expérience des finances. Il siégera au comité de la haute direction.

DIRECTION FONCTIONNELLE

- Le Ministère devrait préciser dans ses manuels financiers les responsabilités en vertu desquelles on donne des conseils et avis en matière financière.

Le manuel financier exposera toutes les fonctions du fonctionnaire supérieur des finances dans les quatre domaines principaux: préparation et contrôle du budget, politique et systèmes de comptabilité, contrôles et pouvoirs financiers et opérations comptables. Il décrira aussi les rapports qui doivent exister entre les divers services financiers et la direction organique des programmes tout en précisant les responsabilités directes ou fonctionnelles.

PERSONNEL FINANCIER

- Le Ministère devrait revoir et corriger au besoin la classification et l'effectif des FI afin de pouvoir recruter des sujets suffisamment qualifiés pour améliorer la gestion financière.

A la suite de notre examen de la classification FI (Groupe de gestion des finances), certains postes semblent classés trop bas. Après avoir arrêté un plan d'action, nous avons entrepris de régler le problème et de mettre en place la structure nécessaire à l'amélioration de la gestion financière.

ORGANISATION

- Le Ministère devrait rattacher à l'organisation projetée les fonds qu'il demandera pour les ressources nécessaires à la fonction financière; il devrait aussi préparer les organigrammes officiels en fonction des postes pour lesquels des années-hommes autorisées existent.

Nous rattacherons nos besoins de fonds et d'années-hommes supplémentaires à l'organisation projetée et les organigrammes officiels aux années-hommes autorisées.

OBSERVATIONS ET RECOMMANDATIONS

- On devrait instaurer un système de rapports sur l'activité relevant de la dotation en personnel à l'intention de la fonction financière.

PROGRAMMES DE FORMATION DU PERSONNEL

- Il n'existe aucun programme bien établi de formation au sujet des systèmes de gestion et de contrôle financiers au sein du Ministère.

Le Ministère devrait affecter des ressources à la planification et à la réalisation de programmes de formation du personnel dans le domaine de la gestion financière, tant au bureau principal que dans les régions.

DÉLÉGATION DES POUVOIRS

- Le Ministère n'a délégué les pouvoirs conférés par l'article 25(1) de la Loi sur l'administration financière qu'à trois de ses fonctionnaires et a délégué les pouvoirs conférés par les articles 26 et 27 aux mêmes personnes.

Les faiblesses dans le domaine de la délégation des pouvoirs conférés par les articles 25(1), 26 et 27 de la Loi sur l'administration financière devraient être rectifiées.

- Le Ministère devrait établir une méthode d'examen par laquelle il pourrait tenir à jour ses documents de délégation des pouvoirs et les parties de ses manuels qui s'y rapportent.

FONCTION DE VÉRIFICATION A PRIORI

- Les méthodes de vérification a priori au sein du Ministère n'ont pas été établies et suivies efficacement.

Le Ministère devrait établir des méthodes adéquates de vérification a priori et les faire figurer dans ses manuels financiers.

CONTRÔLES INTERNES DE LA COMPTABILITÉ

- Le Ministère n'a pas bien décrit les systèmes comptables ni les méthodes en usage.

Le Ministère devrait donner une explication complète des contrôles internes de la comptabilité dans ses manuels financiers.

COMMENTAIRES DU MINISTÈRE

Un système de rapports sera établi pour que les agents de la dotation en personnel et la direction organique de la fonction financière communiquent entre eux en temps opportun.

Nous aurons, au plus tard en septembre 1976, des programmes de formation à l'intention du personnel administratif et des employés de soutien.

Nous avons entièrement révisé la présentation des instruments de délégation du pouvoir de signer en matière financière et nous révisons actuellement la délégation des pouvoirs en fonction de principes améliorés.

Nous établissons actuellement une méthode d'examen, qui sera exposée dans nos manuels.

Nous établissons actuellement les méthodes adéquates, qui seront mises en oeuvre et entièrement décrites dans nos manuels en 1975.

Nous réviserons entièrement le manuel de comptabilité du Ministère afin de décrire complètement tous les systèmes, méthodes et contrôles internes nécessaires à la tenue adéquate des comptes du Ministère.

OBSERVATIONS ET RECOMMANDATIONS

- Les méthodes de contrôle des documents en usage au Ministère ne garantissent pas l'inscription en temps opportun de chaque opération. Pour ce faire, il suffirait d'établir des méthodes adéquates de contrôle par lots. Le Ministère devrait en outre corriger plus régulièrement les erreurs d'écriture qui se sont glissées au moment du codage.

REVENUS ET COMPTES À RECEVOIR

- Le Ministère devrait adopter des méthodes et des contrôles en vue de l'établissement, de l'inscription, de la perception et de la radiation des comptes à recevoir pour tous les programmes et en donner une explication complète dans ses manuels financiers.

Le Ministère devrait corriger les circonstances qui ont donné lieu à des paiements excédentaires, surtout dans les programmes de formation de la main-d'œuvre du Canada, pour éliminer, ou tout au moins, réduire considérablement le volume des comptes dont on doit s'occuper.

Le Ministère devrait revoir ses méthodes reliées aux contrôles des revenus, pour réduire les frais de perception des comptes.

VÉRIFICATION INTERNE

- Certaines parties de la vérification interne relèvent des gestionnaires de programme tandis que d'autres sont coordonnées par le bureau d'étude et de perfectionnement de la gestion du Ministère.

Il devrait incomber au bureau d'étude et de perfectionnement de la gestion de coordonner toutes les vérifications du Bureau des services de vérification, de passer en revue les conclusions dégagées et de faire rapport au sous-ministre des principales observations, tendances et faiblesses.

- Tous les programmes et méthodes de vérification interne devraient être revus et révisés de concert avec le Bureau des services de vérification; les vérificateurs devraient veiller surtout à évaluer les systèmes et à recommander des améliorations.

COMMENTAIRES DU MINISTÈRE

Nous avons entrepris une revue complète de ces méthodes. La méthode de contrôle par lots ou au moyen de séquence numérique sera instaurée, pour s'assurer que les inscriptions se fassent en temps voulu. Nous corrigerons aussi plus régulièrement les erreurs d'écriture.

Nous passons actuellement en revue toutes les opérations et méthodes reliées aux contrôles des comptes à recevoir et des revenus, et nous y apporterons des changements et améliorations majeurs.

La vérification relèvera désormais entièrement du bureau d'étude et de perfectionnement de la gestion.

Nous élaborons actuellement des programmes et des méthodes de vérification conformes aux recommandations.

OBSERVATIONS ET RECOMMANDATIONS

- Le Ministère devrait passer en revue l'étendue de ses vérifications pour réduire les frais et utiliser les économies réalisées pour améliorer les systèmes de base et les méthodes de contrôle.

STRUCTURE DES PROGRAMMES PAR ACTIVITÉ

- Le programme de perfectionnement et d'utilisation de la main-d'oeuvre relevant du crédit 5 constitue une partie importante des dépenses du Ministère.

Une structure par activité plus développée devrait être établie pour le programme de perfectionnement et d'utilisation de la main-d'oeuvre de façon à rendre les renseignements plus utiles à l'évaluation des activités et à leur apport aux objectifs du programme de main-d'oeuvre.

PRÉVISIONS DE PROGRAMME ET BUDGET PRINCIPAL DES DÉPENSES

- Le Ministère devrait mettre en place un système permanent de planification financière et l'incorporer à un système semblable de planification du fonctionnement, de façon à ce que la haute direction dispose de meilleurs renseignements pour prendre ses décisions.

Les fonctionnaires supérieurs des finances devraient participer davantage à la préparation des prévisions de programme et des budgets.

MÉTHODES DE CONTRÔLE BUDGÉTAIRE

- Les méthodes que le Ministère a adoptées pour comparer les résultats de fonctionnement aux dépenses prévues au budget ne lui permettent pas de faire une bonne analyse financière des écarts par rapport aux plans budgétaires.

Les méthodes d'analyse des écarts budgétaires employées à divers niveaux de direction devraient être améliorées à l'intérieur du Ministère.

MÉTHODES DE CONTRÔLE DES ENGAGEMENTS

- Un système permettant la tenue des registres d'engagements de façon uniforme à l'échelle du Ministère devrait être établi et décrit.

COMMENTAIRES DU MINISTÈRE

Nous passerons en revue l'étendue de toutes nos vérifications pour la rendre optimale, compte tenu de la qualité et des frais.

Nous avons établi une nouvelle structure par activité pour le programme de l'année 1976-1977.

Nous passons actuellement en revue le rôle des agents financiers et des agents de programme et mettons en place l'appareil administratif nécessaire à la planification financière recommandée.

Nous améliorerons nos rapports et méthodes d'analyse des écarts budgétaires pour les instaurer au plus tard en avril 1976.

OBSERVATIONS ET RECOMMANDATIONS

Le Ministère devrait revoir sa politique d'émission de certificats d'engagements d'une portée générale.

SYSTÈME DE MESURE DU RENDEMENT DE L'EXPLOITATION

- Le Ministère prépare actuellement l'application des concepts du système de mesure du rendement de l'exploitation; au début, il l'a appliqué à l'échelle nationale; cependant, il devrait procéder à une étude pilote approfondie, à quelques endroits, pour établir un système efficace de mesure du rendement de l'exploitation intégré au système des rapports financiers.

RAPPORTS FINANCIERS

- Les rapports émanant des divers systèmes de rapports contiennent des informations puisées à des bases de données différentes. Ils ne sont pas rédigés dans le cadre d'un système contrôlé de rapport et, le cas échéant, intégré. Il n'est donc pas garanti que leurs données soient comparables.

Le Ministère devrait au besoin intégrer ses systèmes de rapports de base afin d'en faire de meilleurs instruments de gestion.

LIENS ENTRE LE MINISTÈRE ET LE MINISTÈRE DES APPROVISIONNEMENTS ET SERVICES

- Les attributions relatives au Ministère et ses liens avec le ministère des Approvisionnement et Services sont mal définis ou mal compris.

Le Ministère devrait conclure avec le ministère des Approvisionnements et Services un accord écrit portant sur les services qui doivent être rendus et sur leurs attributions respectives.

Le Ministère devrait passer entièrement en revue l'utilisation qu'il fait des services qu'il reçoit du ministère des Approvisionnement et Services afin d'améliorer les méthodes de traitement des dépenses et de rédaction des rapports financiers.

COMMENTAIRES DU MINISTÈRE

Nous passons actuellement en revue tous les aspects reliés aux certificats et aux registres d'engagements, et nous adopterons de nouvelles mesures au début de 1976.

Nous avons pris des dispositions pour que les agents des finances et ceux des opérations participent à l'établissement d'un système satisfaisant de mesure du rendement de l'exploitation ainsi qu'il a été recommandé. Nous croyons toutefois que le temps n'est pas encore venu de procéder à une étude pilote. Nous trouverons une solution qui prévoira l'étude pilote recommandée si nous la jugeons appropriée après plus ample réflexion.

Nous ferons, avec l'aide des représentants de toutes les fonctions, un examen rigoureux des besoins des usagers et des systèmes nécessaires pour fournir des renseignements sur les données de base et les rapports intégrés.

Nous avons entrepris de définir et d'établir une fois pour toutes nos attributions et celles du ministère des Approvisionnement et Services, et nous ferons tout en notre pouvoir pour mieux employer les services qu'il nous fournit.

MINISTÈRE DES POSTES

Observations et recommandations en date du mois de juin 1975

Commentaires du Ministère en date du mois de juillet 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

PROGRAMMES DE FORMATION DU PERSONNEL

- Il y aurait lieu d'établir, dans l'ensemble du service postal, des programmes de formation du personnel dans le domaine des finances, afin de doter les services financiers et administratifs de la compétence technique nécessaire et d'assurer une formation suffisante au personnel non financier.

En 1974, nous avons lancé un programme en vue de planifier et de mettre en oeuvre des programmes de formation à l'intention du personnel financier et non financier.

MANUELS FINANCIERS

- Une bibliothèque centrale et un contrôle centralisé de tous les manuels financiers devraient être créés.

Nous sommes à réaliser un projet en vue de réunir et de contrôler, pour l'ensemble des services postaux, toutes les directives fonctionnelles et tous les manuels pertinents.

PAIE

- Le Ministère devrait exercer un contrôle plus rigoureux sur les documents d'entrée concernant la paie et sur la distribution des chèques. Il faudrait s'en tenir aux contrôles internes qu'exige le système d'entrée à l'échelle nationale et établir des contrôles convenables pour la distribution des chèques de paie.

Nous avons entrepris, en 1974, une révision planifiée des méthodes relatives à la paie.

Le Ministère devrait mettre sur pied des méthodes et des contrôles comptables reliés aux comptes de paie à montant fixe, et ces comptes devraient être tenus selon une méthode authentique de comptabilité de fonds à montant fixe.

Nous sommes à réviser les contrôles et méthodes comptables actuellement en usage pour les comptes de paie à montant fixe.

VÉRIFICATION DES COMPTES ET DEMANDE DE PAIEMENT

- Les méthodes du bureau principal national concernant les demandes de paiement ne sont pas toujours conformes aux lignes directrices du Conseil du trésor.
- Parfois, les paiements sont demandés sans l'approbation de la personne qui a le pouvoir d'approuver les dépenses.

Nous avons pris des mesures pour que cela ne se produise plus.

OBSERVATIONS ET RECOMMANDATIONS

- Le pouvoir de payer se délègue au-dessous du niveau FI-2.

POLITIQUE VISANT LES REVENUS

- Les Postes devraient continuer à évaluer les services qu'ils offrent au public et devraient, en outre, présenter annuellement des recommandations soit pour le maintien des politiques en vigueur touchant les revenus ou les subventions, soit pour les augmentations de tarifs qui seraient nécessaires pour compenser l'accroissement du coût des services.

MÉTHODES DE PRÉVISIONS DU PROGRAMME ET DE PRÉPARATION DU BUDGET PRINCIPAL DES DÉPENSES

- La relation entre les plans d'exploitation et les coûts s'y rattachant n'est pas clairement identifiée. Le cycle approuvé de planification de l'organisation devrait être totalement mis en application, en prenant soin de mieux intégrer les plans d'activité commerciale et de planification financière. La section du Manuel de gestion financière touchant la planification devrait être mise à jour.

ÉVALUATION FINANCIÈRE

- La politique ministérielle exige que toute proposition qui influence sensiblement les revenus, les dépenses et les dépenses en capital fasse l'objet d'une évaluation financière et soit sujette aux procédés de la vérification a posteriori. Il faudrait compléter les manuels d'instructions de façon qu'ils contribuent au bon accomplissement des travaux nécessaires à l'application rigoureuse des méthodes prévues.

SYSTÈMES D'INFORMATION DE LA GESTION

- Des systèmes complets d'information de la gestion sont en train d'être conçus. Les systèmes de mesure du volume de courrier ainsi que les besoins et méthodes reliés à l'information sur la répartition de l'effectif, devraient avoir priorité; de plus, les systèmes devraient tous être parfaitement mis au point et appliqués avec succès sur la base de projets pilotes pour être ensuite appliqués ailleurs, localité par localité.

COMMENTAIRES DU MINISTÈRE

Nous chercherons encore à obtenir l'application de mesure de classification.

Accepté.

Nous sommes à instaurer un nouveau système de planification financière en trois étapes, dont la deuxième sera adoptée en 1975. À la fin de l'Étape II, ce système perfectionné fera l'objet, dans le Manuel de gestion financière, d'un nouveau chapitre portant sur la préparation du budget.

Nous avons récemment publié de nouvelles directives sur l'évaluation des propositions concernant les locaux. Des directives révisées sur toutes les autres évaluations suivront.

Nous accordons la priorité à ces deux exigences qui font présentement l'objet d'un projet pilote dans deux villes.

OBSERVATIONS ET RECOMMANDATIONS

Les besoins de renseignements et les exigences des systèmes devraient être clairement établis et coordonnés avec l'acquisition du matériel d'informatique requis. L'état du plan S.I.G., les coûts, l'effectif disponible et les délais acceptables devraient être étudiés constamment par le sous-ministre des Postes et son comité consultatif.

RAPPORTS FINANCIERS

- Les rapports financiers permettent de comparer les chiffres réels avec ceux prévus au budget, mais il faudrait songer à améliorer les méthodes actuelles de présentation d'analyses des écarts.

COMMENTAIRES DU MINISTÈRE

Accepté.

L'amélioration des méthodes de présentation d'analyses des écarts découlera largement du perfectionnement des systèmes de mesure du volume de courrier et de l'information sur la répartition de l'effectif.

MINISTÈRE DU REVENU NATIONAL - DOUANES ET ACCISE

Observations et recommandations en date du mois de janvier 1975

Commentaires du Ministère en date du mois de juin 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

RÔLE DE LA GESTION FINANCIÈRE

- Le Comité de direction devrait définir clairement le rôle de la gestion financière du Ministère afin d'éliminer les interprétations multiples et imprécises des responsabilités dévolues aux agents financiers du bureau principal et à ceux des directions; et de donner aux premiers l'autorité, la responsabilité et les ressources humaines nécessaires à l'application des politiques financières. Afin d'accentuer l'importance de la fonction financière, le Ministère aurait tout intérêt à remanier les directions des services de façon telle que le sous-ministre adjoint responsable des finances puisse leur consacrer plus de temps.
- Les agents financiers des directions ne relèvent qu'indirectement de leur chef d'activité et la plupart ne siègent pas à leur comité de gestion respectif.

Les agents financiers devraient relever directement des gestionnaires de l'exploitation qu'ils secondent.

- La fonction financière du Ministère est groupée au niveau organique avec les services de gestion ou d'administration. Il existe très peu ou pas de rapport entre la fonction financière et la fonction de planification. Il arrive parfois que les agents financiers ne sont pas au courant des programmes d'exploitation imminents. En plus, ces programmes sont parfois formulés sans demander aux agents financiers d'en évaluer la portée financière.

Le Ministère devrait grouper la responsabilité de la gestion financière et de la planification.

Nous sommes en train de définir les rôles et responsabilités des agents financiers et prévoyons avoir terminé cette tâche le 1er août 1975. Nous donnerons aux agents financiers du bureau principal l'autorité, la responsabilité et les ressources appropriées au rôle qui leur est assigné. Après avoir défini ce rôle nous passerons en revue et renforcerons, au besoin, notre structure d'organisation et le perfectionnement de tous nos agents financiers au niveau de la gestion pour leur permettre d'assumer leurs responsabilités.

Nous reconnaissons que les agents financiers devraient relever directement de leurs gestionnaires de l'exploitation.

Lorsque nous planifierons l'organisation de la fonction financière nous tiendrons compte de la nécessité de resserrer les liens entre la gestion financière et la planification.

LIENS FONCTIONNELS

- Le Ministère devrait définir et préciser, dans ses manuels, l'organisation de l'autorité fonctionnelle et mentionner les responsabilités des chefs à l'intérieur de la fonction financière.

Au moment de définir les rôles et responsabilités des agents financiers, le Ministère définira l'organisation de l'autorité fonctionnelle et précisera les responsabilités des chefs à l'intérieur de la fonction financière.

DOTATION EN PERSONNEL DES POSTES FINANCIERS

- Le Ministère a eu de la difficulté à engager du personnel possédant la compétence nécessaire pour combler les postes vacants.

Il devrait donc réorganiser et redéfinir les responsabilités de sorte que:

- les fonctionnaires supérieurs des finances reconnaissent toutes leurs responsabilités et soient classifiés en conséquence;
- les agents financiers puissent faire carrière au Ministère.
- Les descriptions de poste sont souvent rédigées en fonction de la classification des emplois plutôt que de la gestion financière.

Le Ministère devrait rédiger de nouveau les descriptions de tâche, afin de préciser davantage les fonctions exigées, et évaluer les agents financiers en fonction des nouvelles descriptions.

- Le Ministère n'a aucune politique de formation du personnel financier ni aucun programme interne de formation et de perfectionnement professionnel. Quand le besoin se fait sentir, le personnel suit les cours offerts par la Commission de la Fonction publique ou d'autres cours semblables de développement professionnel. La division de l'administration financière veut bien perfectionner tous les employés dont elle a besoin, mais elle n'a aucun programme officiel à cette fin.

Une fois que seront définis les rôles des fonctionnaires supérieurs des finances, leurs responsabilités seront décrites afin d'assurer que toutes leurs responsabilités soient reconnues et qu'ils soient classifiés en conséquence. L'organisation sera structurée de manière telle que les agents financiers puissent faire carrière au Ministère.

Nous réviserons au besoin les descriptions de tâches au moment de réaliser les deux points ci-dessus, mais nous estimons que les conseils fonctionnels et les résultats ne doivent pas se limiter aux descriptions de tâche proprement dites.

OBSERVATIONS ET RECOMMANDATIONS

Le Ministère devrait s'intéresser davantage aux programmes de perfectionnement du personnel financier et de formation professionnelle.

QUALITÉ DE LA COMMUNICATION DES EXIGENCES FINANCIÈRES

- Le Ministère ne dispose d'aucun bon manuel financier. Le manuel précédent a été mis au rancart et celui qui doit le remplacer en est encore au stade de la rédaction. Afin de combler cette lacune, une des directions de l'exploitation a publié son propre «manuel provisoire» dont la rédaction n'a pas été coordonnée avec la division de l'administration financière.

Le Ministère devrait terminer son manuel financier conformément aux lignes directrices du Conseil du trésor, en se servant au besoin des documents et des ressources dont disposent les directions organiques.

DOCUMENTATION DES SYSTÈMES DE REVENUS ET DÉPENSES

- Le Ministère devrait expliquer en détail, dans ses manuels, les principaux systèmes de revenus et dépenses qui s'appliquent.

REVENUS ET COMPTES À RECEVOIR DES SERVICES SPÉCIAUX

- Les ports de contrôle sont chargés de percevoir les comptes à recevoir des services spéciaux. Cependant, ils ne contrôlent pas toujours l'ordre numérique des factures établies par les ports locaux, ni ne vérifient par la suite, l'argent reçu par le port local pour les services spéciaux, au bordereau de dépôt bancaire. Il n'y a aucun contrôle comptable sur les comptes à recevoir et ils n'en dressent pas régulièrement des listes chronologiques.

Le port de contrôle devrait contrôler indépendamment l'ordre numérique des factures.

COMMENTAIRES DU MINISTÈRE

Nous sommes en train d'élaborer un programme de perfectionnement et de formation professionnelle pour le personnel financier. Nous cherchons à combler le poste, nouvellement créé à la division de l'administration financière, par un titulaire responsable d'élaborer et de mettre en oeuvre ce programme.

En ce qui concerne la fonction financière, nous continuerons d'accorder la priorité absolue à notre manuel financier. Nous utiliserons toutes les ressources disponibles pour en assurer la réalisation le plus tôt possible et ferons en sorte qu'il se conforme à nos exigences et à celles du Conseil du trésor.

Nos manuels des finances et de l'exploitation traiteront en détail des principaux systèmes de revenus et dépenses.

Nous mettrons à jour les directives actuelles et améliorerons leur efficacité pour que ce contrôle soit assuré.

OBSERVATIONS ET RECOMMANDATIONS

Les ports de contrôle devraient être chargés de vérifier indépendamment l'argent reçu à chaque port local.

Un contrôle monétaire indépendant devrait être établi sur les comptes à recevoir pour les services spéciaux.

La direction devrait dresser et passer en revue des listes mensuelles chronologiques des comptes à recevoir pour les services spéciaux.

VÉRIFICATION A PRIORI

- Il n'existe aucun registre des erreurs corrigées au niveau de la vérification a priori. Les personnes responsables de la vérification a priori ne connaissent ni ne comprennent les contrôles électroniques qu'exerce le ministère des Approvisionnements et Services et de plus elles ne sont pas avisées des rejets par l'ordinateur des documents qu'elles ont vérifiés.

Le Ministère se propose de changer le système actuel pour une vérification a priori par échantillonnage ou une révision de la vérification a posteriori. Si le Ministère s'avisait de réduire la portée de la vérification a priori ou d'en modifier les méthodes sans évaluer le système actuel en fonction de ses documents pertinents et des erreurs rencontrées au cours de la vérification, il s'exposerait à faire des paiements injustifiés.

Un registre des erreurs corrigées devrait être maintenu. Les responsables de la surveillance du travail de vérification a priori devraient être avisés des rejets de l'ordinateur pour pouvoir évaluer les lacunes du système et la portée que devrait avoir la vérification a priori à l'avenir.

PAIE

- La préparation des données sur la paie et la mise à jour des registres de paie sont confiées au service du personnel. Étant donné que les agents du personnel ne sont ni orientés, ni formés financièrement, il existe une lacune au niveau de la connaissance des contrôles financiers sur la paie.

COMMENTAIRES DU MINISTÈRE

Nous formulerons les directives qui s'imposent pour donner suite à cette recommandation.

Bien que le Ministère soit disposé à instaurer ce contrôle, sa valeur en tant qu'instrument de gestion doit être sujette à l'expérience et à révision.

Nous dresserons pendant l'année financière en cours des listes mensuelles chronologiques de tous les comptes à recevoir.

Nous prendrons des mesures pour tenir des registres d'erreurs corrigées et obtenir du centre de traitement une fiche de rendement (qui noterait les rejets de l'ordinateur, par exemple) de façon que les responsables de la fonction de vérification a priori possèdent les données nécessaires pour contrôler la bonne marche de leur service.

OBSERVATIONS ET RECOMMANDATIONS

Les méthodes de contrôle sur la paie devraient être élaborées et communiquées. Les agents financiers devraient être chargés d'établir et de surveiller ces contrôles.

COMMENTAIRES DU MINISTÈRE

Un groupe de travail composé d'agents des finances et du personnel révisera les méthodes actuelles de la paie et s'assurera que tous les modes de contrôle qui s'imposent sont instaurés. Une révision ultérieure sera effectuée au cours de la période de six mois qui suit l'adoption de toute méthode révisée de contrôle et la responsabilité des divers aspects de la fonction de la paie sera passée en revue.

DÉLÉGATION DES POUVOIRS

- La majorité des agents qui ne s'occupent qu'accessoirement des finances ne comprend pas les articles 26 et 27 de la Loi sur l'administration financière. En conséquence, certains d'entre eux ont signé des documents en vertu des articles 26 et 27 sans trop connaître la portée de leur geste.

Le Ministère devrait fournir, au cours de séances de formation, à tous les agents auxquels il délègue des pouvoirs, des directives plus détaillées sur les objectifs et les principes afférents à la délégation des pouvoirs, à la vérification et à l'approbation de compte, ainsi qu'à leur application.

Afin de préciser les objectifs et les principes en cause, nous avons révisé les directives concernant la délégation des pouvoirs de signer, y compris la vérification et l'approbation des comptes. Le plan d'application prévoit des séances de formation à l'intention des agents chargés de signer les documents financiers.

AVANCE DE FONDS DE ROULEMENT

- Le responsable de l'avance de fonds de roulement n'est pas un agent financier. Il prend part aux achats, aux ventes, aux entrées et aux sorties de caisse ainsi qu'à la comptabilisation de ces opérations, ce qui constitue une lacune de contrôle interne.

Le Ministère devrait uniformiser la comptabilité de tous ses stocks de biens de consommation. La division de l'administration financière devrait participer au dénombrement annuel des stocks pour s'assurer que les méthodes sont convenables, les quantités conformes aux registres permanents et le cas échéant, les écarts élucidés. Elle devrait en outre se charger de la comptabilité et du traitement des entrées et sorties de caisse si le Ministère continue d'utiliser son avance de fonds de roulement.

Nous prenons des mesures pour instituer le contrôle financier de nos stocks. Les méthodes prévoiront la participation de la division de l'administration financière au dénombrement des stocks et la conciliation des quantités réelles à celles inscrites dans les registres. La responsabilité de tenir les registres comptables de l'avance de fonds de roulement sera transférée à la division de l'administration financière.

VÉRIFICATION INTERNE

- Trois groupes sont responsables au sein du Ministère, de la vérification financière interne, ce sont: l'évaluation de la gestion de programme, l'évaluation des programmes de l'Accise et la vérification interne des Douanes.

N'étant pas tenus de communiquer entre eux, ils risquent de faire double emploi ou, pire, de faire un travail incomplet.

Le Ministère devrait réorganiser la vérification financière interne et confier toutes les fonctions de vérification au groupe de l'évaluation de la gestion de programme.

- L'approche de la vérification à l'échelle ministérielle devrait être normalisée en fonction de la base des systèmes et prévoir l'utilisation de questionnaires d'évaluation du contrôle interne.

MÉTHODES RELATIVES AUX PRÉVISIONS DE PROGRAMME

- La haute direction devrait définir et faire connaître les responsabilités relatives aux prévisions de programme qui sont propres au bureau principal et aux directions, incluant: le degré auquel la division de l'administration financière doit participer aux aspects de la planification stratégique, le genre et le nombre de méthodes et de directives explicites qu'elle doit fournir aux directions, et le degré auquel elle doit participer à l'examen.
- Le Ministère devrait confier à la division de l'administration financière l'examen critique des prévisions de programme et lui donner le pouvoir de se les faire justifier par les directions.
- Les directions devraient être tenues de préciser complètement et en profondeur toutes les méthodes et pratiques concernant les prévisions de programme, y compris les systèmes de mesure du rendement. Ces informations devraient être mises à jour périodiquement, et le système complet ainsi que les modifications subséquentes devraient être soumis à la division de l'administration financière pour approbation.

Bien que conscients de la préoccupation de l'Auditeur général en ce sens, nous ne pouvons pas accepter cette recommandation. Nous reconnaissons toutefois la nécessité d'une définition plus complète et plus globale de la fonction et des rapports des trois unités, et nous prendrons les mesures qui s'imposent pour formuler une définition qui garantira un minimum de chevauchement, de double emploi et/ou d'omission à l'intérieur de la structure actuelle de l'organisation.

Nous sommes d'accord sur le principe de cette recommandation. Le groupe de l'évaluation de la gestion de programme est entièrement responsable de la vérification financière du Ministère, dont l'approche est faite en fonction de la base des systèmes. Il utilise maintenant des questionnaires d'évaluation du contrôle interne.

Au moment de définir les rôles et responsabilités des agents financiers de notre Ministère, comme nous l'indiquions en réponse aux recommandations sur le rôle de la gestion financière, nous fixerons les attributions de la division de l'administration financière relatives à la préparation des prévisions de programme. Nous définirons et communiquerons en outre les responsabilités propres aux autres directions ou services intégrés qui ont trait aux prévisions de programme.

La haute direction définira les responsabilités propres à la division de l'administration financière en ce qui concerne «l'examen critique» des divers aspects des prévisions de programme. Nous lui donnerons les pouvoirs nécessaires à l'exercice de ses attributions.

Nous préciserons entièrement toutes les méthodes de prévisions de programme, y compris les systèmes de mesure du rendement. La division de l'administration financière les tiendra à jour et les passera en revue pour s'assurer qu'elles sont conformes aux exigences des systèmes, des budgets et des rapports financiers.

OBSERVATIONS ET RECOMMANDATIONS

- Le Ministère devrait passer en revue et mettre à jour les indicateurs, les hypothèses et les données de l'année de base de rendement en même temps que la documentation relative au système de mesure du rendement.

BUDGET PRINCIPAL DES DÉPENSES

- La division de l'administration financière devrait donner à tous ceux qui s'occupent des méthodes du budget principal des dépenses (y compris le personnel de direction) une formation suffisante dans le domaine des méthodes, des mécanismes, et du processus budgétaire de l'État.
- Le Ministère devrait adopter comme politique d'exiger que toutes les directions, lorsqu'elles préparent la soumission du budget principal des dépenses, s'assurent que leurs bureaux régionaux soumettent leurs frais courants.

ANALYSE DES ÉCARTS

- Les analyses des écarts sont généralement faites au niveau d'activités des directions; cependant, elles offrent les lacunes suivantes:
 - a) les textes explicatifs sont superficiels et n'ont pas expliqué en détail les écarts importants. Dans certains cas, il nous a été impossible de rattacher l'écart réel en dollars à la conséquence financière expliquée dans le texte;
 - b) le Ministère n'a pas essayé de relier les écarts aux différences entre les ressources prévues et utilisées et à la variation de la performance des opérations.

Le Ministère devrait renforcer son système d'analyse des écarts, en établissant: a) un exposé complet des objectifs du système, tels que définis par la haute direction, qui devrait faire allusion à l'utilisation du système pour le contrôle budgétaire et b) des mesures visant à garantir que le système est mis en oeuvre et entretenu convenablement et que la haute direction reçoit des explications suffisantes sur les écarts.

COMMENTAIRES DU MINISTÈRE

Nous prendrons les mesures voulues pour passer en revue et mettre à jour périodiquement les indicateurs de rendement, les hypothèses et les données de l'année de base.

Le programme de formation mentionné en réponse à la recommandation relative à la formation du personnel financier comprendra la formation des agents financiers et autres qui s'occupent du budget principal des dépenses.

Bien que la pratique normale suivie par le Ministère demande la mise à jour de tous les frais qui ont trait à la soumission du budget principal des dépenses, cette exigence sera formellement spécifiée dans le manuel financier au chapitre des instructions sur le budget.

Nous passons actuellement en revue nos méthodes d'analyse des écarts en vue d'améliorer la qualité et l'utilité des renseignements. Après avoir déterminé les besoins en renseignements de la haute direction, nous élaborerons, décrirons dans nos manuels, mettrons en oeuvre et entretiendrons le système de manière à ce que celle-ci reçoive les explications nécessaires sur les écarts.

RAPPORTS FINANCIERS

- Le Ministère devrait s'assurer que ses états de gestion financière renferment des données reliées à l'utilisation des années-hommes, des renseignements sur ses engagements et des statistiques sur son rendement. Ces états devraient mettre en rapport l'utilisation des ressources et le rendement.
- Le Ministère devrait élaborer, décrire dans ses manuels et communiquer des méthodes et des directives afin de garantir que l'exactitude des états et rapports informatiques soit vérifiée.

Nous continuerons à passer en revue le système des rapports financiers afin de nous assurer qu'ils répondent aux besoins des gestionnaires à tous les niveaux en ce qui concerne notamment les engagements et les renseignements saisonniers reliés au budget. Les objectifs et les plans du Ministère comprennent une plus grande intégration des données sur les années-hommes, le système de mesure du rendement et d'autres données statistiques reliées aux budgets financiers et aux dépenses. Nous y donnerons suite lorsque les sous-systèmes non financiers entreront en opération.

Le manuel financier renfermera des directives concernant la vérification des états informatiques et des rapports financiers.

MINISTÈRE DU REVENU NATIONAL - IMPÔT

Observations en date du mois de décembre 1974

Commentaires du Ministère en date du mois de mai 1975

L'étude a porté surtout sur le bureau principal, qui exerce sur la plupart des activités du Ministère un contrôle central propre à assurer l'uniformité des méthodes servant à la préparation du budget, à la comptabilité et aux finances dans les bureaux de district. Nous avons visité deux des vingt-huit bureaux de district, de même que le centre des données, afin de vérifier si le contrôle en question s'effectue réellement.

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

DIRECTION FONCTIONNELLE

- On ne semble pas trop savoir qui est censé fournir la direction fonctionnelle en matière de finance et de comptabilité, particulièrement dans les sous-sections des bureaux de district, où une telle direction pour la gestion financière n'a pas été suffisante.
- Le groupe financier de la division du contrôle de la gestion (direction des opérations) devrait être renforcé. On devrait aussi lui confier la charge de contrôler le budget de cette direction ainsi que celle de fournir aux bureaux de district, et au centre des données, une direction fonctionnelle touchant le contrôle de leur budget, le contrôle financier de leurs dépenses, le contrôle de leurs pratiques comptables qui se rattachent aux éléments d'actif, de passif et de rapports financiers.
- Il faudrait que la division des finances de la direction des finances et de l'administration assure au groupe financier de la division du contrôle de la gestion (direction des opérations) une direction fonctionnelle analogue, grâce à des réunions périodiques et à l'utilisation de manuels financiers détaillés.
- Il conviendrait en outre que la division des finances de la direction des finances et de l'administration consacre à toutes les autres directions du bureau principal une direction fonctionnelle similaire en détachant auprès d'elles les analystes-conseils nécessaires et en mettant à leur disposition des manuels financiers détaillés.

Nous nous efforcerons de mieux préciser les voies hiérarchiques afin d'éliminer toute confusion qui existe dans les districts.

Accepté.

Accepté.

Accepté.

**ÉTUDE DU RENDEMENT DES EMPLOYÉS
QUI REMPLISSENT DES FONCTIONS
D'ORDRE FINANCIER**

- La division des finances de la direction des finances et de l'administration devrait participer à la nomination et aux études de rendement des employés du groupe financier de la division du contrôle de la gestion (direction des opérations), ainsi qu'à celles des agents d'administration préposés à la gestion ou au contrôle financier dans d'autres directions du bureau principal. Accepté.
- Le groupe financier de la division du contrôle de la gestion (direction des opérations) devrait intervenir de la même façon dans le cas du personnel des bureaux de district et du centre des données qui remplissent des fonctions de gestion ou de contrôle financier. Accepté.

FORMATION DES AGENTS FINANCIERS

- Il faudrait faire davantage pour la formation théorique et pratique des employés qui exercent des fonctions d'ordre financier. Accepté - Un programme de formation est déjà en cours.

**EFFICACITÉ DE LA COMMUNICATION
DES EXIGENCES FINANCIÈRES**

- Les manuels actuels sont insuffisants en ce sens qu'ils ne traitent pas du signalement des écarts, des comptes courus mensuels, du calcul des dépenses projetées pour la partie non écoulée de l'année, ni d'autres questions sur lesquelles porte le Guide d'administration du Conseil du trésor. Accepté - Des directives sont à l'étude.

**ATTRIBUTION DES POUVOIRS
FINANCIERS**

- Le régime de délégation du pouvoir de signer en matière financière ne distingue pas entre le pouvoir de payer et celui de dépenser. Dans son rapport du 5 septembre 1974, le Conseil du trésor recommandait qu'il soit remédié à cet état de choses ainsi qu'à d'autres lacunes du régime actuel de délégation de pouvoirs financiers. Accepté - Nous avons pris la situation en main.

**PRINCIPES DIRECTEURS ET MÉTHODES
DE CONTRÔLE DES DÉPENSES**

- Les méthodes reliées aux processus de traitement des demandes en remboursement de frais de voyage seraient accélérées si la vérification de celles-ci était limitée à un échantillonnage et si on faisait davantage appel aux bureaux régionaux du ministère des Approvisionnements et Services pour le règlement de ces demandes.

Accepté — nous sommes à reviser nos méthodes.

**PROCÉDÉS DE CONTRÔLE COMPTABLE
DES IMMOBILISATIONS**

- Les principaux articles de mobilier devraient être déclarés dans les imprimés d'ordinateur des immobilisations.
- Chaque année, il faudrait que les sommes inscrites dans les comptes du Ministère comme dépenses en immobilisations soient conciliées avec les dépenses de l'année en cours figurant dans les imprimés d'ordinateur.
- Des étiquettes identificatrices devraient être apposées à tous les articles d'immobilisations compris dans les imprimés d'ordinateur.

Accepté.

Accepté.

Accepté.

VÉRIFICATION INTERNE

- Aux responsabilités de la direction, revue de la gestion, il conviendrait d'ajouter celle de la vérification des dépenses et de l'étude des contrôles financiers.

Une étude a été effectuée et nous avons pris la décision d'incorporer à la direction, revue de la gestion, une section de vérification financière.

**PRÉVISIONS DE PROGRAMME ET
BUDGET PRINCIPAL DES DÉPENSES**

- Il faudrait évaluer à fond les programmes permanents du point de vue de leur efficacité et de leur rendement, en conformité avec les directives du Ministère et en se souvenant:
 - a) que des priorités réalistes devraient être établies pour les programmes qui se disputent les mêmes ressources; et
 - b) que la haute direction devrait faire connaître ces priorités aux gestionnaires des centres de responsabilité lorsque les objectifs du Conseil du trésor sont modifiés.
- Les directions fonctionnelles du secteur des opérations devraient mieux coordonner entre elles la planification du volume de travail, y compris les révisions de ceux-ci.

Accepté.

Accepté.

OBSERVATIONS ET RECOMMANDATIONS

- La coordination et la communication entre la division de l'analyse et de la planification (direction des systèmes et de la planification) et la division des finances (direction des finances et de l'administration) devraient être améliorées en ce qui concerne l'établissement des prévisions de programme et du budget principal des dépenses, et leur présentation au Conseil du trésor.

CENTRE DE COÛT NÉGATIF

- Lorsqu'il se crée un centre de coût négatif, il faudrait en informer les directeurs régionaux et les dirigeants du bureau principal, en prenant soin de leur indiquer quelles peuvent en être les répercussions sur leurs budgets respectifs.

En l'occurrence, voici ce que nous entendons par l'idée de «centre de coût négatif»: il s'agit d'alimenter le budget d'exploitation nécessaire à un secteur donné en établissant un centre de coût négatif correspondant qui serait financé par les crédits périmés d'un autre secteur.

RAPPORTS FINANCIERS

- Le système de rapports financiers du ministère des Approvisionnements et Services ne fournit pas les renseignements nécessaires à l'explication des écarts qui se produisent par rapport aux sommes budgétisées et aux débits de travail prévus. De plus, il ne produit pas toute l'information requise par les Comptes publics, telle l'accumulation des dépenses par activité. Afin de remédier à la situation, le Ministère a décidé, vers la fin de 1970, d'établir son propre système informatique de renseignements pour la gestion, mais ce système n'est pas encore entièrement au point.

COMMENTAIRES DU MINISTÈRE

Nous convenons que les prévisions de programme et du budget des dépenses devraient relever d'une même entité d'organisation, mais comme cela peut se faire de plusieurs façons, nous allons chercher à déterminer la meilleure.

Nous ne laisserons pas cette situation se reproduire.

Ce sujet fait l'objet d'un intérêt continu.

MINISTÈRE DU SOLLICITEUR GÉNÉRAL

Observations et recommandations en date du mois de décembre 1974

Commentaires du Ministère en date du 21 juillet 1975

L'étude n'a porté que sur des programmes relevant du Commissaire du Service pénitentiaire canadien et du Solliciteur général adjoint; il n'a donc pas été tenu compte des dépenses d'exploitation relatives aux crédits suivants:

Crédit 15 : Commission nationale des libérations conditionnelles

Crédits 20 et 25 : Gendarmerie royale du Canada

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

SERVICE PÉNITENTIAIRE CANADIEN

RÔLE DE L'ASPECT FINANCIER

- Les agents supérieurs des finances ne participent pas activement, dans le cadre de l'équipe de la haute direction, à l'un ou l'autre des trois niveaux du Service pénitentiaire canadien (au bureau principal, aux bureaux régionaux et aux établissements) et ce, pour deux raisons: en premier lieu, l'administration semble attacher peu d'importance à la fonction financière et, deuxièmement, les postes des services financiers ne sont pas classés à un niveau suffisamment élevé pour attirer des fonctionnaires possédant la compétence voulue. L'apport de la fonction financière ne satisfait donc pas les besoins du Service pénitentiaire canadien.

Nous sommes d'accord. La croissance rapide du Service pénitentiaire canadien, de même que la modification de l'importance de certains programmes, au cours des cinq dernières années, ont forcément entraîné des études portant sur la réorganisation de nombreux secteurs de programmes. Par conséquent, on a confié au Commissaire adjoint des services opérationnels et à ses collègues régionaux, la responsabilité, en qualité de hauts fonctionnaires, de plusieurs secteurs administratifs, dont l'administration financière. Précisons toutefois qu'ils peuvent compter sur les avis du directeur des services financiers ou de l'administrateur financier régional, tous deux agents supérieurs des finances responsables de la mise en application de la politique financière, et conseillers en ce domaine. Il faudra réexaminer les tâches des agents supérieurs des finances afin de s'assurer que leur rôle administratif sur le plan financier est d'une rigoureuse efficacité et satisfait aux besoins du Service pénitentiaire canadien (S.P.C.).

OBSERVATIONS ET RECOMMANDATIONS

- La haute direction devrait donner son appui au programme amorcé en vue de renforcer la fonction financière et inviter des agents supérieurs des finances à faire partie des équipes de la haute direction afin de s'assurer leur pleine et entière collaboration.
- En outre, pour qu'il puisse s'acquitter efficacement de ses responsabilités concernant les questions financières du Ministère, le directeur des services financiers devrait participer à l'évaluation de tous les agents financiers régionaux et des autres fonctionnaires dont les tâches se rapportent au domaine financier.

ORGANISATION DES SERVICES FINANCIERS

- Dans son étude sur les services financiers du bureau principal le bureau des conseillers en gestion pointe du doigt l'actuelle répartition improvisée des fonctions financières; il faudrait modifier cette répartition pour la rendre conforme aux propositions contenues dans le rapport du bureau ou à une autre répartition approuvée par la direction.
- On devrait mettre sur pied des programmes de formation afin que le personnel des finances soit ensuite en mesure de fournir un rendement uniformément élevé.

MANUEL ET SOURCES DE RÉFÉRENCE

- Le manuel des services financiers et les autres sources de référence financière concernant le Service pénitentiaire canadien devraient être intégrés dans un nouveau manuel qui constituerait un document de travail pratique expliquant la façon de remplir les fonctions.

ROULEMENT DU PERSONNEL

- Le Service pénitentiaire canadien devrait chercher à connaître les raisons à l'origine du roulement élevé qui se manifeste, à certains niveaux, chez les employés ayant des responsabilités financières, et prendre les mesures qui s'imposent.

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord. En 1974, nous avons prié le bureau des conseillers en gestion d'étudier l'organisation de la direction générale des services financiers au bureau principal du S.P.C. et dans certains postes régionaux. Les principales recommandations de l'étude sont en voie d'application et nous espérons qu'il en résultera une importante amélioration de la gestion financière.

Nous sommes d'accord. Nous avons l'intention de mettre en oeuvre un système analogue à celui qui est conseillé dans le Guide d'administration financière, selon lequel le fonctionnaire supérieur des finances doit examiner toutes les évaluations du rendement des agents financiers effectuées par leur supérieur hiérarchique.

Nous sommes d'accord. Le Service pénitentiaire canadien a accepté les recommandations contenues dans l'étude du bureau des conseillers en gestion sur la gestion financière et est en voie de les mettre en vigueur.

Nous sommes d'accord. Il existe un programme limité de formation, en cours et hors d'emploi, destiné au personnel des finances; ce programme a produit des diplômés (R.I.A., C.G.A.). Avec l'apport d'un agent de formation, ce programme sera intensifié et étendu au secteur financier ainsi qu'aux autres secteurs de la gestion.

Nous sommes d'accord. L'une des grandes priorités de la division financière qui vient d'être réorganisée est précisément la compilation d'un manuel complet de l'administration financière englobant et intégrant les directives et les méthodes financières en vigueur.

Nous sommes d'accord. Une étude structurale de la fonction financière à tous les niveaux de gestion, réalisée par le bureau des conseillers en gestion, devrait garantir que les postes financiers sont classifiés conformément à leurs attributions. Nous croyons que les nouvelles classifications auront pour effet de diminuer le roulement du personnel.

TÂCHES CONFIÉES À DES DÉTENUS

- Le détenu à qui l'on confie des tâches financières devrait être considéré comme participant à un programme de réhabilitation et, par conséquent, les ressources nécessaires devraient être fournies afin de leur procurer la formation et la surveillance qui s'impose.

Nous sommes d'accord. À l'avenir, tous les détenus en question recevront la formation et la surveillance nécessaires.

PAIE

- Les modifications suivantes devraient être apportées au système de paie afin d'améliorer le contrôle interne:

- a) le contrôle du système de paie devrait relever des services financiers;
- b) on devrait concilier le système de paie avec le système des rapports financiers;
- c) il faudrait prendre des mesures pour imputer le temps supplémentaire au centre de coûts qui requiert le personnel;
- d) afin d'assurer un partage adéquat des tâches, il conviendrait de confier la distribution des chèques à quelqu'un d'autre que le gestionnaire qui approuve le temps supplémentaire ou les présences; et
- e) les conditions se rapportant aux paiements versés aux employés en congé par suite de blessures subies au travail devraient être contrôlées de très près.

a) Nous sommes d'accord. Le contrôle du système de paie relèvera des services financiers.

b) Nous sommes d'accord. Certains aspects de la décentralisation du système de paie aux bureaux régionaux ont occasionné des problèmes qu'on est maintenant en train de résoudre.

c) Nous sommes d'accord, mais nous avons essayé, sans succès, d'imputer le temps supplémentaire aux activités. Le système de paie actuel du ministère des Approvisionnements et Services n'est pas assez souple pour nous permettre de faire cette opération.

d) Nous sommes d'accord. Ce sera fait d'ici septembre 1975.

e) Nous sommes d'accord. Nous étudions actuellement notre système de contrôle des paiements relatifs aux congés pour accident de travail. Dans l'intervalle, nous avons informé tous nos bureaux régionaux que les congés pour accident de travail ne doivent pas se prolonger au delà de 120 jours.

TEMPS SUPPLÉMENTAIRE

- Le temps supplémentaire représente des frais importants pour le Service pénitentiaire canadien. Il faudrait se faire expliquer pourquoi le temps supplémentaire varie sensiblement d'un établissement à l'autre.
- Si la semaine totale de travail d'un employé doit dépasser le nombre d'heures prévu par le Code canadien du travail, il faut obtenir l'autorisation du Conseil du trésor.

Nous sommes d'accord. Un système de rapports du temps supplémentaire, en vigueur depuis le 1er janvier 1975, permet de contrôler et d'expliquer le temps supplémentaire.

Nous sommes d'accord. La division du personnel a discuté ce problème avec des fonctionnaires du Conseil du trésor, le 13 novembre 1974, et ces derniers se sont montrés satisfaits de notre attitude à cet égard.

VÉRIFICATION A PRIORI ET ACHATS

- La vérification a priori des dépenses relève du bureau principal, quelle que soit l'efficacité avec laquelle les bureaux régionaux accomplissent la vérification a priori de la plupart des achats. La responsabilité de la vérification a priori des opérations devrait passer du bureau principal aux bureaux régionaux.
- Les modifications suivantes sont nécessaires à l'amélioration de la gestion financière et du contrôle des achats:
 - les rajustements de prix devraient être approuvés par des agents responsables de l'approvisionnement plutôt que par des commis préposés à la vérification a priori;
 - lorsque les coûts réels de l'approvisionnement dépassent les prévisions de l'établissement, il faudrait consulter celui-ci avant d'acheter;
 - il faudrait publier des directives exigeant que la qualité des marchandises reçues fassent l'objet d'une inspection et que les denrées alimentaires et toutes autres marchandises achetées en vrac soient pesées à l'arrivée;
 - il conviendrait de faire enquête sur les différences de prix entre les denrées alimentaires et autres produits achetés par des établissements dans la même région;
 - Le personnel devrait être muni des directives ainsi que des manuels nécessaires, incluant des lignes directrices, par exemple, l'alternative de préparer ou d'acheter les rations alimentaires.

Nous sommes d'accord. La décentralisation de la vérification a priori au profit des bureaux régionaux est en préparation et sera mise en oeuvre lorsque ceux-ci auront un personnel stable.

Nous sommes d'accord. Nous adopterons cette méthode.

Nous sommes d'accord. Cependant, par suite de la hausse actuelle des prix, le ministère des Approvisionnements et Services (M.A.S.) a publié des directives à l'intention des ministères, exposant sa politique à cet égard, que nous avons acceptées.

Nous sommes d'accord. Nous publierons une directive en conséquence, qui fera partie du manuel.

Nous sommes d'accord, mais différentes sources d'approvisionnement du M.A.S. sur lesquelles nous n'exerçons aucun contrôle, alimentent ces établissements.

Nous sommes d'accord. Nous agissons en ce sens.

DÉLÉGATION DE POUVOIRS

- Les articles 25, 26 et 27 de la Loi sur l'administration financière autorisent le Ministère à engager, dépenser et verser des fonds. Le Service pénitentiaire canadien devrait déléguer le pouvoir d'engager des fonds, comme le prévoit l'article 25 de la Loi.

OBSERVATIONS ET RECOMMANDATIONS

- Les personnes chargées de faire des transactions devraient pouvoir utiliser un système permettant d'identifier celles qui sont autorisées en vertu des articles 25, 26 et 27. Il conviendrait de revoir les autorisations au moins une fois par an, et les systèmes devraient prévoir des cartes de spécimen de signature.
- L'autorisation accordée à tel ou tel poste devrait s'arrêter aux sommes d'argent proportionnées aux fonctions et responsabilités de ce poste.
- Il faudrait suivre la directive du Conseil du trésor exigeant que des employés différents, en vertu des articles 26 et 27, apposent leur signature pour la même opération.

UNE SIGNATURE NÉCESSAIRE POUR TOUTE DEMANDE DE CHÈQUE

- Conjointement avec le ministère des Approvisionnements et Services, il faudrait modifier la méthode suivie pour faire des demandes de chèque, de façon à exiger deux signatures.

RECOUVREMENT DES COÛTS

- Une hausse du taux d'indemnité journalière pour l'entretien des détenus provinciaux placés dans des établissements fédéraux, rendrait ce taux plus conforme au coût réel.
- Il faudrait modifier la politique des prix des produits agricoles pour la rendre davantage conforme à la valeur marchande actuelle, et il faudrait établir un système financier qui puisse assurer une gestion s'appuyant sur des renseignements financiers sûrs, notamment en ce qui concerne les frais d'exploitation agricole.

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord. Nous avons mis au point, de concert avec les bureaux régionaux, une formule révisée de délégation des pouvoirs, que nous avons soumise à l'approbation du Ministre. Cette formule révisée renferme les prescriptions du «Guide d'administration financière» et sera conforme à ces recommandations. La mise en vigueur de ce nouveau système se fera au cours de la présente année financière.

Le Conseil du trésor établit les modalités de l'attestation nécessaire pour les paiements faits à même le Fonds du revenu consolidé.

Nous sommes d'accord. Mais le recouvrement des coûts engagés pour les détenus provinciaux placés dans des établissements fédéraux doit se faire conformément aux dispositions des ententes fédérales-provinciales négociées avec chaque province. Les taux imposés sont rajustés chaque année.

Nous sommes d'accord. Plusieurs études du S.P.C. sur l'exploitation agricole laissent entendre que la politique des prix manque de réalisme. Nous sommes d'accord avec cette constatation. Cependant, il faudrait consacrer encore plus de fonds aux opérations des économes pour pouvoir appliquer cette recommandation. Les systèmes financiers actuellement utilisés pour l'exploitation agricole seront réexaminés lorsque notre section des systèmes se mettra à fonctionner.

OBSERVATIONS ET RECOMMANDATIONS

- Il conviendrait d'augmenter le prix des repas servis au public, pour en recouvrer le coût.

COMPTES À RECEVOIR ET SERVICES RENDUS

- Il faudrait mettre en vigueur des systèmes permettant un meilleur contrôle de l'approbation du crédit, des coûts et des prix de revient des commandes, de la facturation des expéditions et de la perception des comptes. Il faudrait que les systèmes s'appuient sur des documents et que les méthodes soient publiées et expliquées aux employés.
- Il faudrait établir des comptes de contrôle pour tous les systèmes de comptes à recevoir du Service pénitentiaire canadien, et préparer mensuellement une ventilation par classe d'âge des comptes à recevoir et en concilier le total au compte de contrôle.

AVANCES DE FONDS DE ROULEMENT

- Il faudrait mettre en vigueur un système de contrôle des stocks dans les magasins régionaux; effectuer le dénombrement de tous les articles et se débarrasser des stocks désuets; contrôler les niveaux des stocks et des comptes à recevoir et enquêter sur les écarts notables.
- Il faudrait préparer tous les mois des états financiers concernant les avances de fonds de roulement et les faire concorder avec les états du Ministère afin d'en assurer l'exactitude.

BIENS IMMOBILIERS ET MOBILIERS

- Il faudrait modifier la méthode de comptabilisation et de contrôle des biens immobiliers et mobiliers pour que ces actifs soient mieux contrôlés et plus visibles dans les registres financiers. Ces registres devraient donner la valeur en dollars et la quantité des articles attractifs et d'une valeur importante. Pour les autres articles, il suffit d'en connaître la quantité.
- Pour que les registres permanents soient constamment à jour, il faudrait effectuer régulièrement le dénombrement de tous les biens immobiliers et mobiliers.

COMMENTAIRES DU MINISTÈRE

Nous sommes d'accord. Nous examinons actuellement la situation concernant les repas servis aux visiteurs et aux fonctionnaires. Des consultations ont déjà eu lieu ou sont prévues avec des représentants du Conseil du trésor, du ministère du Revenu national et des syndicats.

Nous sommes d'accord. La section des systèmes qui s'élabore présentement au bureau principal, documentera et améliorera notre méthode actuelle pour le programme.

Nous sommes d'accord. Les méthodes relatives aux revenus, notamment les comptes de contrôle pour les comptes à recevoir, sont utilisées depuis de nombreuses années. Nous attacherons encore plus d'importance au fonctionnement et à l'amélioration de ces systèmes.

Nous sommes d'accord. Nous examinons actuellement l'ensemble des opérations des magasins régionaux.

Nous sommes d'accord et nous le ferons. Les conciliations de toutes les avances de fonds de roulement figurent chaque année dans les Comptes publics.

Nous sommes d'accord. Nous allons réviser les méthodes de contrôle des biens immobiliers et mobiliers afin de les améliorer.

FONDS DE FIDUCIE DES DÉTENUS

- Ces encaisses surviennent lorsqu'un détenu arrive dans un établissement avec de l'argent liquide, ou que des visiteurs lui laissent de l'argent pour ses dépenses personnelles; il s'agit habituellement de sommes minimales.
- Il faudrait déterminer dans quelle mesure le Service pénitentiaire canadien a le droit de tenir ces comptes de fonds non publics, et révéler l'existence de ces fonds dans les Comptes publics. Il faudrait obtenir l'autorisation du ministère des Finances au sujet de ces comptes de banque.
- Il faudrait modifier le système afin d'améliorer les méthodes de gestion des encaisses et de contrôle de ces fonds.

VÉRIFICATION INTERNE

- Le Commissaire devrait être saisi de rapports de vérification interne et, au besoin, les transmettre à d'autres membres du personnel. Ces rapports devraient être rédigés et diffusés dans un laps de temps raisonnable.
- Le directeur des finances devrait confier aux agents financiers compétents le soin de dresser un plan de mise en application des recommandations de ces rapports et de surveiller les progrès accomplis.

OBJECTIFS DU MINISTÈRE

- L'énoncé des objectifs ministériels et les descriptions de programme dans le budget des dépenses fournissent au Parlement une base qui lui permet d'évaluer le coût des divers programmes. Il faudrait les réviser de temps à autre pour indiquer l'évolution des objectifs du programme du service correctionnel.

Nous sommes d'accord. Le Conseil du trésor vient de déclarer ces fonds «publics». La section du programme des détenus du S.P.C. est en train d'examiner la question et va recommander une méthode d'administration de ces fonds. Nous avons envers le Conseil du trésor l'obligation de mettre en oeuvre une méthode de contrôle de ces fonds au cours de 1975-1976, d'une façon qui répondra aux exigences du Conseil, de même qu'à celles du programme des détenus.

Nous sommes d'accord. La vérification interne relève de la gestion du S.P.C.; cependant, la suite à donner aux articles transmis aux services financiers relève des membres de cette division. Les recommandations du Conseil du trésor dans ce domaine proposent la création d'un comité de fonctionnaires supérieurs qui serait chargé d'assurer la mise en application des recommandations approuvées. Le S.P.C. étudie cette proposition.

Nous sommes d'accord en principe. Ils sont révisés de façon périodique; toutefois, à la suite de la mise sur pied de l'Agence fédérale de correction, les objectifs et les programmes du Ministère seront réexaminés et révisés en conséquence.

PRÉVISIONS DE PROGRAMME

- En vue d'améliorer la qualité des communications actuelles entre le bureau principal et les bureaux régionaux, ainsi que la qualité de la présentation des prévisions de programme, des agents supérieurs des finances devraient se rendre dans les bureaux régionaux pour y expliquer la prévision de programme et les budgets «A» et «B». Pour assurer que les demandes reflètent les priorités de la haute direction, on devrait rédiger un énoncé des priorités administratives, puis le réviser avec les agents des régions et des établissements avant l'énoncé des prévisions de programme.
- Étant donné le nombre et la diversité des établissements et des programmes, un classement des programmes suivant un ordre hiérarchique apporte d'importants renseignements en retour. Afin de donner à la haute direction une idée du succès de tel ou tel programme, on devrait dresser une liste classant les programmes selon leur efficacité, et identifiant les gestionnaires de chaque centre de responsabilité.

**BUDGET DES GESTIONNAIRES DES
CENTRES DE RESPONSABILITÉ**

- L'administration devrait consulter les gestionnaires des centres de responsabilité lors de l'établissement de leur budget pour s'assurer de leur engagement envers les objectifs financiers qui sont fixés.
- Le personnel du bureau principal ne devrait pas imputer de dépenses aux budgets des gestionnaires des centres de responsabilité sans avoir d'abord consulté ces derniers. Un petit budget devrait, au besoin, être affecté au personnel du bureau principal.

**ANALYSE DES ÉCARTS ET PRÉVISIONS
DE CAISSE**

- Il faudrait contrôler à tous les mois le système de contrôle budgétaire et d'analyse des écarts pour s'assurer qu'il est possible d'expliquer de façon satisfaisante les écarts importants.

Nous sommes d'accord. La réorganisation de la division des finances du bureau principal permettra aux agents supérieurs des finances de visiter plus fréquemment les bureaux régionaux. Certaines priorités administratives peuvent être communiquées aux bureaux régionaux avant l'énoncé des prévisions de programme.

Nous sommes d'accord. Tant pour le système de mesure du rendement de l'exploitation que pour le groupe de travail sur l'Agence fédérale de correction, on procède à l'identification des programmes en vigueur.

Nous sommes d'accord. Les demandes de crédits budgétaires sont passées en revue par les gestionnaires des centres de responsabilité et leur directeur régional respectif avant d'être soumises au bureau principal, à Ottawa.

Nous sommes d'accord. Le personnel de l'administration centrale n'impute normalement aucune dépense au budget des gestionnaires des centres de responsabilité, sauf s'il s'agit de postes administrés à l'échelle nationale.

Nous sommes d'accord. Nous avons l'intention d'améliorer nos systèmes d'analyse des écarts et de prévisions de caisse.

RAPPORTS DE GESTION

- Le système de rapports devrait être assoupli et modifié de façon à correspondre à la nouvelle organisation du Service pénitentiaire canadien. Il faudra donc changer les codes actuels des comptes, étant donné que le système en place exige un code de 25 chiffres pour toutes les opérations comptables et ne met pas à profit les codes d'interclassement qui sont plus simples.
- Le nouveau système devrait tenir compte des éléments courus et prévoir l'intégration ordonnée du système d'engagements dans les systèmes de rapports, de façon que les gestionnaires puissent connaître exactement le solde non grevé de leur budget.
- De plus, les rapports de gestion devraient renseigner sur le rendement de chaque sous-activité et sur les années-hommes qu'elle a utilisées.

Nous sommes d'accord. Notre récente réorganisation nous oblige à modifier notre structure par activité; nous profiterons de l'occasion pour procéder à un examen des codes. Nous étudierons la méthode des codes d'interclassement.

Nous sommes d'accord. Nous avons modifié la méthode de contrôle de nos engagements le 1er avril 1975; nous disposons désormais de meilleures données pour nos rapports et pouvons tenir les gestionnaires au courant du solde de leur budget.

Nous sommes d'accord. L'examen que nous comptons faire de notre système de rapports, couvrira aussi le rapport sur les années-hommes. Nous ne pourrons toutefois pas faire entrer nos données de rendement dans nos rapports financiers avant d'avoir terminé notre étude du système de mesure du rendement de l'exploitation.

SECRÉTARIAT

GESTION FINANCIÈRE

- Le Secrétariat devrait faire clairement connaître son rôle et ses objectifs à long terme, à son personnel et au Service pénitentiaire canadien.
- Il faudrait accroître la responsabilité fonctionnelle du conseiller financier supérieur au niveau des opérations financières quotidiennes.

Nous sommes d'accord. Nous accorderons la priorité à la communication au sein du Secrétariat et avec les autres organismes du ministère.

Nous sommes d'accord. Nous avons pris des mesures correctives.

MINISTÈRE DES TRANSPORTS

Observations et recommandations en date du mois de mai 1975

Commentaires du Ministère en date du mois d'août 1975

Notre étude du ministère des Transports a porté sur:

Le Programme de l'administration centrale

Le Programme des transports par eau

Le Programme des transports aériens

Le Programme des transports de surface

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

SYSTÈME MINISTÉRIEL

Le «Système ministériel» qui a été réorganisé en 1970 afin de promouvoir un système de gestion unifié et cohérent, axé sur la planification globale, le développement, la formulation de politiques ainsi que la coordination et l'évaluation des programmes a fait naître un climat d'incertitude au sujet du rôle des nouveaux services du ministère des Transports et de la délégation des pouvoirs de gestion des programmes.

- Le Ministère devrait officialiser et communiquer sa structure d'organisation afin que les liens hiérarchiques et fonctionnels entre les anciens et les nouveaux services soient mieux définis et communiqués.
- Le Conseil des transports, ou un organisme analogue, devrait être l'organe principal d'orientation et de décision du Ministère.

En 1970, tous les services ont été informés en détail de la réorganisation. Dans un organisme vaste et dynamique comme le nôtre, il est sans doute inévitable que des problèmes de coordination et de communication se posent de temps à autre. Nous revoyons constamment notre organisation, nos principes et nos méthodes; nous étudierons soigneusement les commentaires de l'Auditeur général.

Nous avons récemment établi un comité de direction en vue de faciliter la formulation des politiques et de présenter des recommandations à l'attention du Ministre.

ORGANISATION FINANCIÈRE

Les diverses Administrations ont chacune leurs propres systèmes financiers. Sur les plans suivants, il ne s'est pas créé de liens fonctionnels satisfaisants entre le sous-ministre adjoint aux finances et les agents financiers des Administrations:

OBSERVATIONS ET RECOMMANDATIONS

- a) coordination de la conception, de la communication et de la tenue à jour des systèmes d'administration financière;
 - b) orientation de l'organisation, de la dotation et de la formation du personnel financier;
 - c) examen des évaluations, préparées par les gestionnaires, sur le rendement des agents financiers dont ils sont responsables; et
 - d) étude des priorités budgétaires dans un souci de coordination de l'ensemble des ressources affectées au Ministère.
- Il faudrait renforcer, clarifier et décrire officiellement les liens fonctionnels entre le sous-ministre adjoint aux finances et les agents financiers supérieurs des Administrations.
 - Les services financiers du bureau principal devraient surveiller d'un oeil critique la préparation des prévisions de programme et du Budget des dépenses.

DÉLÉGATION DES POUVOIRS

Le contrôle des pouvoirs financiers délégués laisse à désirer.

- Il faudrait rendre la délégation des pouvoirs conforme aux directives et lignes directrices du Conseil du trésor et veiller tout particulièrement aux points suivants:
- a) délégation officielle du pouvoir de délivrer des certificats d'engagement en application de l'article 25 de la Loi sur l'administration financière;
 - b) principe selon lequel les pouvoirs de dépenser et de payer ne peuvent être exercés par la même personne à l'égard d'une opération particulière;
 - c) communication des documents de délégation dans un manuel financier; et

COMMENTAIRES DU MINISTÈRE

Nous reconnaissons que la description officielle des responsabilités et liens fonctionnels entre les agents financiers qui voient à la bonne marche des systèmes d'administration financière laisse à désirer. Cependant, la rédaction des documents en question est bien avancée et devrait être achevée d'ici la fin de l'année civile.

Nous avons établi une équipe de programmation et d'évaluation au bureau principal; elle a pour tâche d'évaluer constamment les plans et l'affectation des ressources et de surveiller d'un oeil critique la préparation des prévisions de programme et du Budget des dépenses.

Nous avons modifié notre document de délégation de pouvoirs d'après les recommandations indiquées et l'avons joint à notre manuel financier. Nous avons mis en place un système de tenue à jour des cartes de spécimen de signature conforme aux lignes directrices du Conseil du trésor.

- d) amélioration des méthodes d'établissement et de tenue des cartes de spécimen de signature conformément aux exigences du Conseil du trésor.
- Le Ministère devrait demander au ministère des Approvisionnements et Services de régler sa délégation de pouvoirs régionaux sur celle du Ministère, afin de faciliter le traitement des dépenses des régions.

Les consultations que nous avons eues avec le ministère des Approvisionnements et Services à propos de la nécessité de rendre compatibles les pouvoirs régionaux ont permis de régler le problème à notre satisfaction.

CONTRÔLE DES CONSTRUCTIONS

L'Administration du transport maritime a connu des problèmes à l'égard de constructions réalisées par le ministère des Travaux publics et celui des Approvisionnements et Services; elle a en effet eu du mal à faire comprendre ses exigences et à administrer ses ressources financières.

L'Administration maritime devrait se faire représenter dans les équipes de planification chargées des constructions réalisées pour son compte par le ministère des Travaux publics et celui des Approvisionnements et Services.

Nous prenons des mesures en vue de former des équipes de projet pour tous les travaux importants; ces équipes comprendront des représentants de notre Ministère ainsi que du ministère des Travaux publics et du ministère des Approvisionnements et Services.

DISTRIBUTION DES CHÈQUES DE PAIE

En général, les chèques de paie sont distribués par des membres des services du personnel qui sont également chargés d'établir la paie.

La distribution des chèques de paie dans tout le Ministère devrait incomber aux agents financiers ou à d'autres personnes qui ne participent pas directement au système de paie.

Nous sommes en train d'apporter à la distribution de la paie les modifications recommandées.

FACTURATION DES SERVICES

Bien que les divers programmes du Ministère visent à fournir des services à un prix qui lui permettent de faire ses frais dans la mesure du possible, cet objectif est difficile à atteindre à moins qu'on ne procède à des modifications en vue de maximiser et de contrôler les revenus.

OBSERVATIONS ET RECOMMANDATIONS

- Le Ministère devrait prendre des mesures pour faire saisir les biens de ses débiteurs et imposer des intérêts et des sanctions sur les comptes à recevoir arriérés.
- Le Ministère devrait instaurer un système permettant de passer, tous les ans, en revue tous les services facturés aux usagers à la lumière de l'augmentation des prix de revient. En particulier, le Ministère devrait envisager la possibilité de faire payer les services de brise-glace à tous les navires qui y font appel.
- Le Ministère, pour tous ses revenus, devrait adopter le système de facturer tous ses services à mesure qu'il les rend.
- Si le Ministère conserve sa façon de procéder actuelle, il faudrait permettre aux gestionnaires qui contrôlent les actifs qui produisent des revenus, de soustraire ces revenus du montant brut de leurs crédits.

CONTRÔLE DES COMPTES À RECEVOIR - ADMINISTRATION DES TRANSPORTS AÉRIENS

- Les trois systèmes d'inscription et de contrôle des revenus en vigueur à l'aéroport international de Montréal (Dorval) ne contribuent pas au contrôle interne, ne sont pas conformes aux méthodes prescrites par l'administration compétente et sont la marque d'un manque de surveillance fonctionnelle appropriée à l'aéroport.
- La direction des finances de l'Administration des transports aériens devrait étudier à fond les divers systèmes de comptes à recevoir en vigueur dans l'Administration et recommander les modifications nécessaires pour que ces systèmes soient conformes aux lignes directrices du Conseil du trésor ainsi qu'au manuel de la politique et des méthodes de gestion financière.

COMMENTAIRES DU MINISTÈRE

Pour pouvoir imposer des intérêts et des sanctions sur les comptes à recevoir arriérés ainsi que saisir les biens des débiteurs, il nous faudra demander la modification de la loi. Nous prenons des mesures pour parvenir à ce résultat lorsque la chose est possible et souhaitable (par exemple, au moyen de propositions de modifications à la Loi sur l'aéronautique).

Nous convenons qu'il serait souhaitable de passer, chaque année, en revue nos tarifs en fonction du prix de revient des services et des installations; une étude est en cours à ce sujet.

Nous étudierons attentivement la possibilité de faire payer aux usagers les services de brise-glace dans le cadre de la politique de transport que le gouvernement a récemment annoncée.

Nous nous efforcerons, pour tout le revenu, de facturer nos services à mesure que nous les rendons.

Voir notre réponse à la rubrique «Calcul des crédits nets».

Nous avons pris des mesures afin que les systèmes distincts de comptes à recevoir, correspondant chacun à une catégorie particulière de revenus, soient conformes aux méthodes prescrites, et qu'une surveillance fonctionnelle adéquate soit exercée à l'aéroport de Dorval.

Nous prendrons des mesures afin que les systèmes de comptes à recevoir en vigueur dans toute l'Administration des transports aériens soient conformes aux principes de contrôle interne établis ainsi qu'aux lignes directrices du Conseil du trésor.

OBSERVATIONS ET RECOMMANDATIONS

- La direction des finances de l'aéroport de Dorval devrait intégrer les trois systèmes de comptes à recevoir en vigueur, établir un système de facturation de tous les revenus de l'aéroport ainsi qu'incorporer les frais et les paiements à un système complet de comptes à recevoir.

CALCUL DES CRÉDITS NETS

De la façon dont il calcule ses crédits nets, le Ministère n'incite pas à la maximisation des revenus. Il complique la gestion des besoins de trésorerie au cours de l'année et tend à affaiblir le contrôle parlementaire.

- Le Ministère devrait obtenir des crédits bruts, (tous les revenus seraient portés au crédit des comptes de revenus du Fonds du revenu consolidé au lieu d'être soustraits du montant brut des crédits) à moins:
 - a) qu'il ne change sa façon de procéder qui consiste à laisser aux administrations les revenus à soustraire des crédits, pour permettre aux régions de dépenser leurs propres revenus;
 - b) qu'il ne relève sensiblement ses tarifs de façon à mieux refléter les coûts de ses services; et
 - c) qu'il précise les revenus qu'on peut soustraire des crédits bruts.
- Le Ministère ne devrait pas faire entrer dans ces programmes d'investissement le coût des biens acquis pour les besoins des autres.
- L'Administration des transports aériens ne devrait recouvrer du Fonds renouvelable que ses coûts directs, et non tous ses frais généraux.

COMMENTAIRES DU MINISTÈRE

Nous étudions actuellement pour le Québec un système informatisé de facturation et de comptes à recevoir. L'étude préliminaire laisse à penser qu'il serait possible d'intégrer la facturation et les comptes à recevoir de tous les aéroports de la province.

C'est le Conseil du trésor qui a établi le concept et les principes du calcul des crédits nets, et nos usages s'y conforment dans l'ensemble. À notre avis, les observations portant sur la validité de cette politique devraient être portées à l'attention du Conseil du trésor.

Comme les tarifs sont les mêmes partout au Canada, nous sommes d'avis que l'attribution des revenus aux gestionnaires des centres de responsabilité ne les inciterait pas sensiblement à accroître leurs revenus. Par ailleurs, le fait de conserver les revenus au bureau principal facilite la gestion de la trésorerie et offre à la haute direction une plus grande marge de manoeuvre dans la prise des décisions.

Nous ne faisons pas entrer dans nos programmes d'investissement le coût des biens acquis pour les besoins des autres, sauf (comme dans le cas des administrations de pilotage) lorsque les biens servent à un élément du Ministère en vue de la réalisation de nos objectifs globaux.

D'après le paragraphe 9 de la circulaire no 1970-7 du Conseil du trésor, nous nous croyons pleinement fondés à facturer au Fonds renouvelable des aéroports tous les services de l'Administration des transports aériens.

TAXE DE TRANSPORT AÉRIEN

C'est le libellé du crédit de fonctionnement et d'entretien du Programme des transports aériens qui permet l'attribution au Ministère de la taxe de transport aérien perçue en application de la Loi sur la taxe d'accise. Cet usage ne répond pas aux critères du Conseil du trésor qui régissent les modifications législatives du Budget des dépenses. En outre, le produit de cette taxe ne figure pas à part dans le budget du Ministère.

- Le Ministère devrait trouver une autre façon d'obtenir la taxe de transport aérien de façon à bien montrer qu'une taxe particulière est mise à la disposition exclusive du Ministère.
- Le Ministère devrait indiquer à part dans son budget le produit de la taxe de transport aérien.

Nous étudions avec le ministère des Finances la possibilité de transférer la taxe de transport aérien de la Loi sur la taxe d'accise à la Loi sur l'aéronautique.

Des renseignements détaillés sur le produit de la taxe de transport aérien figureront à l'avenir dans le budget. Le mode de présentation des dépenses prescrit par le Conseil du trésor à l'égard des fonds renouvelables ne permet pas la ventilation des articles de revenus.

FONDS RENOUVELABLE DES AÉROPORTS

- Certains grands aéroports internationaux du Ministère sont financés par un fonds renouvelable. L'évolution de la conjoncture économique, combinée au coût croissant de la construction des aéroports ainsi qu'à un manque d'uniformité pour identifier les actifs, les opérations et les revenus attribuables au Fonds, a mis en doute la validité de ce moyen de financement des aéroports.

Le Ministère devrait soit supprimer le Fonds renouvelable, soit y apporter d'importantes modifications de façon qu'il devienne une entreprise viable, équilibrée financièrement. Les principales modifications devraient être les suivantes:

1. exclure les frais et opérations qui ne représentent pas des entreprises viables et financièrement équilibrées comme les ponts d'accès à l'aéroport de Vancouver, l'aéroport de Mirabel et celui de Pickering;

Nous évaluons des façons différentes d'exploiter le Fonds renouvelable des aéroports pour qu'il reste une entreprise viable et équilibrée financièrement.

OBSERVATIONS ET RECOMMANDATIONS

2. réviser la structure des tarifs et des droits d'utilisation des aéroports dans le cadre du Fonds renouvelable des aéroports, en fonction du niveau actuel des prix de revient et veiller à ce que ces tarifs et droits ne soient pas limités par l'établissement de tarifs nationaux pour d'autres aéroports; et
3. produire à temps les états financiers de gestion du Fonds renouvelable des aéroports.

AVANCE DE FONDS DE ROULEMENT DES MAGASINS

Le Ministère a une avance de fonds de roulement des magasins (plafond: \$13.5 millions) par laquelle il finance les magasins desservant ses établissements divers et disséminés. La comptabilité de ces magasins se fait par le moyen d'un système de traitement électronique des données qui ne fournit pas les informations comptables nécessaires au contrôle quantitatif et financier.

Le Ministère devrait hâter la mise en place d'un meilleur système comptable de l'avance de fonds de roulement des magasins.

CAISSE DES RÉCLAMATIONS DE LA POLLUTION MARITIME

La Caisse des réclamations de la pollution maritime a été établie récemment pour permettre de faire face aux frais des cas de pollution marine qui ne peuvent être récupérés directement du pollueur. La Caisse, établie sans plafond précis, représente maintenant \$27 millions. La Loi ne donne pas au Ministère les pouvoirs nécessaires pour mettre en place certaines des mesures de gestion et de contrôle financiers qui seraient indispensables à la bonne administration de la Caisse.

- Le Ministère devrait proposer la modification de la loi afin de:
 - a) soumettre la Caisse à un plafond, compte non tenu des intérêts gagnés;
 - b) établir le droit de la Couronne à vérifier les registres des expéditeurs; et

COMMENTAIRES DU MINISTÈRE

Les travaux menés actuellement en vue d'élaborer un plan d'équilibre financier pour l'Administration des transports aériens permettront d'établir une structure de tarifs et de droits propre aux aéroports relevant du Fonds renouvelable des aéroports.

Nous nous efforcerons d'accélérer la production des rapports financiers de gestion pour le Fonds renouvelable des aéroports.

Nous avons amélioré notre système comptable de l'avance de fonds de roulement des magasins, et l'appliquerons à tous les comptes de magasin d'ici le 1er avril 1976.

Nous sommes en voie de présenter un texte législatif qui établira le droit de la Couronne à vérifier les documents des expéditeurs et permettra au gouverneur en conseil de déterminer les produits pétroliers à l'égard desquels les expéditeurs doivent payer des primes. Il n'est pas dans notre intention d'établir un plafond applicable à la Caisse du fait des modifications proposées de celle-ci qui élargiront la protection et faciliteront les démarches des demandeurs.

OBSERVATIONS ET RECOMMANDATIONS

- c) clarifier la définition des cargaisons de «pétrole» sur lesquelles les expéditeurs doivent payer des primes.
- Le Ministère devrait terminer au plus tôt le système qui lui permettra de déterminer les paiements cumulatifs reçus des expéditeurs, la validité des cautionnements et la modification de la formule de déclaration des produits expédiés.
 - Le Ministère devrait envisager la possibilité de déduire de la Caisse le montant annuel des frais directs d'administration qu'elle entraîne.

VÉRIFICATION ET RÉVISION FINANCIÈRES DU MINISTÈRE

La direction de la vérification et de la révision, qui fait partie de l'organisation financière du bureau principal ne dispose pas de suffisamment de personnel pour pouvoir s'acquitter efficacement de toutes les vérifications et révisions nécessaires dans un Ministère qui a des activités aussi diversifiées et décentralisées dans les divers moyens de transport.

La direction de la vérification et de la révision devrait:

1. compléter ses effectifs dès que possible;
2. s'efforcer de faire participer des membres du personnel de vérification interne aux dossiers des équipes d'examen des opérations;
3. achever dès que possible son manuel de vérification; et

COMMENTAIRES DU MINISTÈRE

S'il se produisait un important déversement de pétrole, de la même ampleur que celui qui s'est produit récemment dans la mer du Japon (dont le coût dépasse \$100 millions en frais et réclamations), on comprendrait peut-être que la Caisse est tout à fait insuffisante au niveau actuel.

Le système est maintenant achevé.

Un comité interministériel étudie actuellement la question de savoir si la Caisse devrait absorber ses frais d'administration. Nous prendrons sérieusement en considération les recommandations du comité lorsque nous demanderons la modification de la Loi concernant la Caisse.

La direction de la vérification et de la révision fait de gros efforts pour compléter ses effectifs.

Si jamais nous étendons l'examen des opérations à l'ensemble du Ministère, nous nous efforcerons de faire appel à des spécialistes de vérification financière.

Le manuel de vérification révisé est paru.

4. étendre le champ des vérifications.

La direction a pour objectif, au titre de son programme de vérification, d'étudier annuellement toutes les fonctions d'administration financière du Ministère. Elle essaie d'effectuer ses vérifications de façon aussi fréquente et opportune que possible.

EXAMEN DES OPÉRATIONS

L'examen des opérations effectué à l'Administration des transports aériens est le seul du genre au Ministère. La façon dont l'Administration aérienne effectue ces examens et en rend compte présente certaines lacunes.

- L'Administration des transports aériens devrait envisager la possibilité d'affecter, sur une base cyclique, un personnel permanent au service d'examen des opérations.
- Les lignes directrices touchant l'examen des opérations devraient mentionner la nécessité de fixer les normes reliées à l'importance des conclusions, de déterminer les niveaux admis de rendement opérationnel, de prévoir les exposés des économies ou augmentations de coût susceptibles de découler des conclusions et de stipuler que les recommandations doivent entrer dans les comptes rendus.

L'Administration juge que la formule actuelle, qui consiste à utiliser des personnes détachées plutôt qu'un personnel à plein temps, est préférable du fait qu'elle permet à des fonctionnaires très compétents dans leur domaine particulier de recevoir une formation et d'élargir leurs horizons tout en continuant à participer au fonctionnement proprement dit.

La principale fonction de l'examen des opérations à l'Administration des transports aériens est, à notre avis, de détecter les problèmes. Les politiques, normes et méthodes établies dans chaque domaine fonctionnel servent de base à l'examen des opérations, et il incombe aux gestionnaires des activités étudiées de prendre des mesures de correction ainsi que de veiller à leur application.

**PRÉSENTATION DU BUDGET DES
DÉPENSES**

Le Programme du transport maritime est passé de 17 activités en 1970-1971 à 4 activités actuellement, ce qui entraîne une perte sensible d'information pour le Parlement. De même, les travaux d'équipement mentionnés dans le Budget des dépenses du Programme ne donnent pas de renseignements suffisants.

- Le Ministère devrait envisager la possibilité de modifier la structure des activités relevant du Programme du transport maritime afin de donner plus d'indications sur les opérations réellement effectuées.
- L'énumération des grands travaux d'équipement qui figure dans le Budget des dépenses de chaque année devrait décrire avec plus de précision les installations à construire ou à acquérir.

Nous étudions actuellement la structure des activités relevant du Programme en question afin de la modifier et de l'affiner.

Nous ferons tout notre possible pour rendre plus descriptifs et plus révélateurs les intitulés des grands travaux d'équipement figurant dans le Budget des dépenses.

GARDE CÔTIÈRE CANADIENNE

L'expression «Garde côtière canadienne» date de 1962; cependant, le Parlement n'a adopté aucun texte législatif qui aurait donné à la Garde côtière un mandat officiel, défini ses objectifs ou régularisé son organisation. La Garde côtière n'est pas mentionnée dans les Comptes publics, et le coût prévu de son fonctionnement n'apparaît pas dans le Budget des dépenses présenté au Parlement.

Le Ministère devrait s'efforcer de définir officiellement les opérations de la Garde côtière canadienne, de déterminer son rôle et d'établir ses objectifs de façon qu'on puisse mettre en place des normes uniformes d'activité et de rapport.

Les opérations de la flotte de la Garde côtière devraient être présentées comme une activité de l'Administration du transport maritime et figurer dans le Budget des dépenses ainsi que les Comptes publics de façon à rendre compte convenablement de cette importante activité du Ministère.

Les Services maritimes ont été rebaptisés Garde côtière canadienne, et ce qui constituait auparavant la Garde côtière constitue maintenant la flotte de la garde côtière. Cette flotte est une entité distincte qui apporte son concours aux diverses activités de l'Administration du transport maritime; à ce titre, son coût est imputable aux activités auxquelles elle apporte son soutien. Nous étudions la possibilité de mieux faire apparaître le coût de l'exploitation de la flotte tant dans le Budget des dépenses que dans les Comptes publics.

RAPPORTS FINANCIERS

Les agents organiques et financiers effectuent actuellement une analyse des écarts qui permet de comparer les résultats financiers réels aux informations budgétaires. Toutefois, les gestionnaires des centres de responsabilité ne s'acquittent pas, en général, de leur responsabilité ultime, à savoir expliquer les écarts et les mesures de correction prises au besoin.

Les gestionnaires des centres de responsabilité devraient jouer un rôle plus actif dans l'explication des écarts budgétaires et la prise des mesures de correction nécessaires.

Nous prendrons des mesures afin d'obtenir une plus grande participation des gestionnaires des centres de responsabilité à l'explication des écarts budgétaires et la prise de mesures de correction.

MINISTÈRE DU TRAVAIL

Observations et recommandations en date du mois de décembre 1974

Commentaires du Ministère en date du mois de juillet 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

LIENS ENTRE LES FONCTIONS FINANCIÈRES ET LES FONCTIONS COMPTABLES

- Les attributions du directeur de la direction des services financiers et administratifs comportent de lourdes responsabilités qui ne se rattachent pas directement à son rôle de fonctionnaire supérieur des finances.

Étant donné l'effectif actuel de la division des services financiers, le fonctionnaire supérieur des finances devrait consacrer une plus grande partie de son temps à la surveillance du travail quotidien portant sur les systèmes et les rapports de gestion.

- Les agents d'administration devraient, pour toute question financière, relever du fonctionnaire supérieur des finances, et la nature de leurs tâches financières devrait être rehaussée.

D'accord.

On réexamine en ce moment l'organisation dans son ensemble et l'on tiendra compte de cette recommandation.

LA DOTATION EN PERSONNEL DES SERVICES FINANCIERS

- On devrait essayer d'obtenir de l'aide de la division de la réforme administrative pour venir à bout des problèmes de pénurie de personnel au sein de la division des services financiers.

On utilisera ce capital humain pour atténuer la pénurie de personnel affecté à l'élaboration des systèmes.

DÉLÉGATION DE POUVOIRS FINANCIERS EN VERTU DE LA LOI SUR L'ADMINISTRATION FINANCIÈRE

- On devrait se procurer de nouveaux documents d'autorisation dès que les changements dans l'organisation les justifient ou que le document existant exige une modification. Ces documents devraient s'inspirer du principe que les pouvoirs, une fois délégués, ne peuvent être délégués de nouveau.

D'accord.

OBSERVATIONS ET RECOMMANDATIONS

- Le personnel de direction (les directeurs, les chefs de division et les agents d'administration) devrait être bien conscient de l'importance de la délégation de pouvoirs aussi bien que des exigences de la Loi sur l'administration financière et du Guide d'administration financière. Ceci pourrait se faire à l'aide d'une série, bien préparée, de conférences de formation traitant, en profondeur, le sujet.
- Le nouveau système de délégation de pouvoirs ne s'appuie pas sur des cartes de spécimen de signature et ne tient pas compte des autorisations d'engagement prescrites à l'article 25 de la Loi sur l'administration financière.

Les responsables de la division des services financiers devraient s'empresse de concevoir et d'appliquer des méthodes pour remédier aux insuffisances de la délégation des pouvoirs financiers.

POLITIQUES ET MÉTHODES DE CONTRÔLE DES DÉPENSES

- On devrait étudier les méthodes de confrontation des documents et les méthodes de vérification que suivent les commis du service de la gestion du matériel et de la division des services financiers, en vue d'éliminer le double emploi des fonctions tout en maintenant le partage des tâches entre la vérification des comptes et les achats.
- Dans certains cas, il est arrivé que les directeurs dont les budgets sont touchés n'aient pas été informés par la direction des relations publiques du fait que les frais de publicité et d'impression des publications dépassaient largement les prévisions.

La direction des relations publiques devrait informer les directeurs lorsque les frais de publicité et d'impression sont susceptibles de dépasser les montants initialement approuvés.

COMMENTAIRES DU MINISTÈRE

Les services financiers, tout en mettant au point leurs fichiers de signature, examinent, de concert avec le personnel de direction, l'importance de la délégation de pouvoirs. Pour ce qui est des besoins en formation de tous les agents d'administration de la direction, on se rend compte qu'une vision coordonnée fait défaut au Ministère. Nous réexaminerons la question sous peu à la lumière des priorités du Ministère au chapitre de la formation.

Nous sommes d'accord et la chose se fait présentement.

On étudiera les méthodes d'ici peu de temps.

Les premières prévisions budgétaires, celles qui sont faites au début d'un projet (c'est-à-dire avant la rédaction du manuscrit ou la cueillette des renseignements pertinents) sont parfois inexacts et les frais, du projet complété, peuvent, à l'occasion, dépasser le montant prévu. Néanmoins, la direction des relations publiques a invariablement essayé d'obtenir l'approbation du client (la direction) pour les coûts définitifs (établis par le ministère des Approvisionnement et Services ou par l'agence de publicité) avant de commencer le projet. Cette façon de procéder a été incorporée à la directive sur les engagements.

OBSERVATIONS ET RECOMMANDATIONS

- C'est la direction des relations publiques qui s'occupe de l'aspect financier des marchés de publicité et d'impression.

Les méthodes à suivre pour les contrats de publicité et d'impression, les démarches auprès du fournisseur, l'adjudication des contrats et les questions relatives à la livraison et à la facturation devraient être transférées à la section de la gestion du matériel qui relève de la division des services financiers. Les questions d'ordre technique, quand il s'agit de mettre la dernière main aux contrats, devraient demeurer la responsabilité de la direction des relations publiques.

CONTRÔLE DES REVENUS ET DES COMPTES À RECEVOIR

- Les provinces versent des indemnités aux fonctionnaires fédéraux en vertu de la Loi sur l'indemnisation des employés de l'État. Les provinces recouvrent ces versements et les frais administratifs qu'ils entraînent du ministère du Travail. Le ministère du Travail n'impute pas aux divers ministères les indemnités versées à leurs employés.

Le Ministère devrait prélever, en autant que faire se peut, la quote-part réelle qu'il a versée en indemnités pour le compte des autres ministères.

- On devrait étudier la possibilité de prélever sur toutes les sociétés de la Couronne un certain pourcentage du total de la paie, en vue d'éliminer les longs retards qu'entraîne la cueillette des renseignements nécessaires à la facturation des indemnités réelles versées en vertu de la Loi sur l'indemnisation des employés de l'État.

COMMENTAIRES DU MINISTÈRE

Nous étudierons cette recommandation à la lumière de la révision organique du Ministère.

Cette solution a été envisagée de temps à autre mais on ne l'a pas trouvée réalisable. Outre que les frais soient de nature imprévisible et très largement variables, la répartition géographique et professionnelle du personnel, de même que le risque inhérent à chaque ministère et l'écart considérable des avantages monétaires entre les diverses régions du pays, se conjuguent pour rendre ces prélèvements très difficiles. Si l'on considère tous les registres détaillés qu'il faudrait tenir, les états de débours qu'il faudrait établir, et quoi d'autre encore, ce serait une opération assez coûteuse sans avantage apparent.

La chose peut se faire, que la recommandation qui précède soit ou non retenue, car elles ne sont que quelques-unes et elles peuvent être facilement assimilées aux entreprises qui sont directement assujetties aux lois provinciales connexes. Soit que l'on choisisse la méthode du «prélèvement» ou celle du «recouvrement» il ne semble pas y avoir d'avantage particulier entre les deux. Les deux méthodes sont d'ailleurs en usage dans les provinces et les organismes ont, du reste, jusqu'ici, pu choisir celle qu'ils préféreraient, bien que le Ministère, pour sa part, favorise la méthode du prélèvement.

OBSERVATIONS ET RECOMMANDATIONS

- De façon analogue, le Ministère devrait examiner la possibilité de modifier ses tarifs de prélèvements pour assurer le recouvrement des coûts qu'il a lui-même dû engager et qu'il peut attribuer directement à l'application de la Loi sur l'indemnisation des employés de l'État.
- Il conviendrait de prendre des mesures pour éliminer le double emploi qui résulte de la tenue d'un registre de revenus pour les prélèvements sur les sociétés de la Couronne.
- Un classement chronologique des sommes à recevoir des sociétés de la Couronne devrait être établi périodiquement, dont un exemplaire serait adressé au directeur de la direction de prévention des accidents et indemnisation et un autre à la division des services financiers pour en assurer la perception en temps voulu. Un total devrait être conservé pour chacune des sociétés de la Couronne.
- Les revenus devraient être inscrits, au système comptable principal du Ministère, au moment de la facturation et non au moment de la perception.

PRÉSENTATION DU BUDGET DES DÉPENSES

- Le budget principal des dépenses indique le montant net des indemnités prévues par la loi et versées aux fonctionnaires fédéraux, après déduction des recouvrements obtenus par prélèvements sur certaines sociétés de la Couronne.

Le Ministère devrait examiner si la présentation actuelle de son budget des dépenses est appropriée et discuter avec le Conseil du trésor des modifications à y apporter pour qu'on puisse y mentionner les montants bruts à payer pour satisfaire aux exigences de la Loi sur l'indemnisation des employés de l'État.

COMMENTAIRES DU MINISTÈRE

Actuellement, les tarifs de prélèvements font sans cesse l'objet d'un nouvel examen. Ces tarifs incluent (1) le coût des indemnités payées; (2) les frais d'administration imposés par la Commission des accidents du travail; et (3) les provisions pour les pensions. Le coût moyen pour la division est d'environ \$7 par réclamation par année. On tiendra compte, cependant, du recouvrement de l'ensemble des coûts.

Il est possible d'abandonner ce registre de revenus maintenant que le M.A.S. produit des états satisfaisants.

Ce sujet exige un examen plus approfondi, mais en principe, nous sommes d'accord.

D'accord.

Rien ne s'oppose à ce qu'on mentionne les montants bruts plutôt que les montants nets, vu que, de toute façon, il faut d'abord calculer les premiers. Cependant, par suite des fluctuations annuelles des montants, il serait nécessaire dans ce cas d'ajouter des explications.

CONTRÔLE DES BIENS MOBILIERS

- Le Ministère devrait préparer une directive à l'intention de tout le personnel des directions, l'incitant à réviser de façon périodique (c'est-à-dire trimestriellement) l'utilisation de leurs biens mobiliers et à retourner tout surplus au local central. Le personnel de la gestion du matériel devrait examiner, avec les chefs de direction, l'usage de ces biens. D'accord.
- La politique du Ministère est de faire le dénombrement des biens mobiliers sur un cycle de trois ans. On n'a fait aucun dénombrement au cours de l'année dernière. Il conviendrait de recommencer le dénombrement matériel des biens mobiliers. D'accord.
- Dès qu'on s'aperçoit que des biens mobiliers manquent, on devrait porter ce fait à la connaissance du sous-ministre ainsi que la demande d'approbation pour la radiation des comptes de ceux-ci. D'accord.

VÉRIFICATION INTERNE

- On devrait prendre des mesures pour prévoir annuellement une vérification financière interne utilisant une méthode de rotation qui s'étendrait à tous les systèmes, par exemple à tous les trois ans, et qui permettrait une étude en profondeur de tous les secteurs.
- La fonction de la vérification interne et celle de l'évaluation des programmes devraient relever d'un cadre supérieur autre que le fonctionnaire supérieur des finances.
- Le Ministère devrait faire appel au bureau des services de vérification plutôt que d'établir un groupe interne, du moins d'ici à ce qu'on ait pu acquérir une certaine expérience des exigences nécessaires pour réaliser une vérification efficace. Cette façon de procéder serait également moins coûteuse. Nous étudions ces propositions à la lumière de la révision organique. Il convient de souligner, cependant, que les services qui ont été fournis jusqu'ici à notre Ministère par le bureau des services de vérification pourraient être améliorés.

**MÉTHODES D'ÉTABLISSEMENT DES
PRÉVISIONS DE PROGRAMME**

- On ne discute pas la soumission des prévisions annuelles de programme lors des réunions du comité de la haute direction; la responsabilité de la ratifier relève du directeur de la direction des services financiers et administratifs.

OBSERVATIONS ET RECOMMANDATIONS

Il conviendrait que le comité de la haute direction s'occupe plus activement des présentations de prévisions de programme et consacre plus de temps à cette question au cours de ses réunions.

- On ne fournit pas au directeur de la direction des services financiers et administratifs assez de renseignements sur l'ordre d'importance et le niveau des dépenses pour lui permettre de préparer, comme il est tenu de le faire, les prévisions de programme que l'on présente au Conseil du trésor.

Il conviendrait que l'ordre d'importance et le niveau des dépenses soient déterminés par les cadres supérieurs, qu'ils soient décrits dans les procès-verbaux des réunions et qu'on les annonce avant que les directions soient tenues de commencer à dresser leur budget.

MÉTHODES D'ÉTABLISSEMENT DU BUDGET PRINCIPAL DES DÉPENSES

- Il faudrait que le personnel du Ministère remette à jour les soumissions qui doivent être présentées au Parlement aux fins du budget principal des dépenses, afin de tenir compte des changements survenus dans les projets depuis la préparation des prévisions de programme, et pour que les montants indiqués dans le budget principal des dépenses concordent avec les budgets des divers centres de responsabilité.
- Les montants inscrits au chapitre des salaires à verser, dans le budget principal des dépenses, sont fondés sur le nombre d'années-hommes autorisées. Une partie de ces montants sera utilisée par le personnel actuellement en place alors qu'une autre partie sera consacrée à l'embauche d'employés occasionnels.

On devrait revoir les pratiques du Ministère en ce qui concerne l'embauche de main-d'œuvre occasionnelle et les problèmes que représente l'embauche d'employés permanents supplémentaires, afin de s'assurer que les gestionnaires ne font pas appel à des employés occasionnels pour satisfaire à des besoins en personnel qui devraient être comblés par des employés permanents.

COMMENTAIRES DU MINISTÈRE

Les attributions du groupe de la haute direction font actuellement l'objet d'une étude, mais nous sommes d'accord avec le principe de cette recommandation.

Il faudra attendre les conclusions de l'étude dont l'organisation fait actuellement l'objet, mais nous sommes d'accord avec le principe de la recommandation.

D'accord. Nous mettrons au point des méthodes qui permettent de tenir compte des changements à venir.

Les pratiques du Ministère dans ce domaine sont constamment révisées en vue de réduire au minimum le recours aux services d'employés occasionnels. Les personnes embauchées pour remplacer les employés nommés à titre conditionnel (unilingues qui doivent suivre des cours de langue) représentent une part importante de la main-d'œuvre occasionnelle.

OBSERVATIONS ET RECOMMANDATIONS

- Lorsque les budgets d'exploitation internes sont préparés à partir du budget principal des dépenses, chaque direction devrait recevoir une somme qui ne dépasse pas les dépenses envisagées pour l'année. Le sous-ministre et son fonctionnaire supérieur des finances devraient considérer séparément les cas éventuels où une direction demanderait des fonds supplémentaires.

MÉTHODES DE CONTRÔLE INTERNE DU BUDGET

- Il conviendrait d'informer le comité de la haute direction des constatations faites par le fonctionnaire supérieur des finances lors du contrôle des dépenses du Ministère ainsi que ses conclusions, et de distribuer par la suite aux directeurs des rapports écrits ainsi que les décisions prises par le comité de la haute direction.
- Les directeurs devraient être informés brièvement une ou deux fois par année de l'usage des budgets et des rapports financiers établis à leur intention. Ils deviendraient alors aptes à fournir au personnel de la division des services financiers des renseignements qui permettraient d'améliorer ces rapports.
- Des mesures d'unité de production ou de travail réalisé devraient être identifiées et rattachées aux débours correspondants. On en a déjà déterminé un certain nombre aux fins du programme des normes de l'emploi. Il faudrait planifier afin que dès l'année prochaine on soit en mesure d'effectuer un meilleur contrôle budgétaire des dépenses au fur et à mesure de la rentrée des données réelles.
- Les agents d'administration des diverses directions ne sont pas aptes à analyser les rapports financiers et à effectuer l'analyse des écarts pour le compte des gestionnaires d'exploitation.

Il y aurait lieu de bien enseigner aux agents d'administration la façon d'analyser les rapports financiers et de comparer les dépenses réelles aux dépenses prévues.

COMMENTAIRES DU MINISTÈRE

À compter de la présente année financière, les budgets d'exploitation des directions reflètent les engagements qui ont été pris ou qui sont susceptibles de l'être.

Le rôle de ce comité est actuellement à l'étude, mais nous convenons du principe de la recommandation.

Recommandation acceptée et déjà mise en pratique.

Sous réserve des propositions rattachées à la réorganisation.

Recommandation acceptée et déjà mise en pratique. (Voir également le commentaire du Ministère au sujet de la seconde recommandation intitulée: «Délégation de pouvoirs financiers en vertu de la Loi sur l'administration financière.»)

**PRÉVISIONS DE CAISSE ET CONTRÔLE
DES ENGAGEMENTS**

- Il conviendrait d'établir et d'instituer un système de rapports sur le contrôle des engagements en utilisant des comptes d'ordre, et de considérer quels genres de dépenses devraient être inclus dans un tel système.
- Il serait bon que les agents d'administration fournissent à la division des services financiers des données sur les engagements en cours et qu'ils collaborent avec elle à la remise à jour mensuelle des registres.
- Il conviendrait que les rapports destinés aux directeurs soient conçus comme des prolongements aux rapports mensuels de ceux-ci sur les dépenses, à la lumière du principe voulant que la comptabilité des engagements vise avant tout au contrôle de l'encaisse.

On a émis, à l'égard des engagements, une politique qui exige la tenue de registres pour tous les engagements. Cette politique exige la préparation de rapports mensuels sur les dépenses et les engagements à l'intention des directeurs et de la haute direction.

Cette politique a été mise en oeuvre.

Cette politique a été mise en oeuvre.

RAPPORTS FINANCIERS

- Les membres du personnel financier devraient se réunir avec des représentants du ministère des Approvisionnements et Services afin d'évaluer les capacités du M.A.S. à produire des rapports de gestion exigés par le Ministère, et de déterminer de façon précise la possibilité de réduire les coûts occasionnés par l'établissement et le fonctionnement du nouveau système interne en tirant meilleur profit du système du M.A.S. Les analyses effectuées et les conclusions tirées de cette étude devraient être décrites.
- La plupart des comptes rendus établis par le système de rapports des coûts du Ministère ne sont pas utilisés par le personnel des directions, ni même par les directeurs.

Une étude du genre proposé est maintenant en cours.

Il faudrait modifier la composition, la présentation et le volume de tous les comptes rendus produits par le système de rapports des coûts afin que les rapports mensuels soient utiles à tous les gestionnaires de l'exploitation.

Une étude est en cours, et certains changements ont déjà été effectués.

- Il y aurait lieu d'apprendre au personnel de gestion, au cours de séances périodiques, à tirer meilleur profit des rapports de gestion.
- Les coûts en salaires, aux fins du système de rapports des coûts, sont fondés sur des salaires moyens, et ils sont généralement inférieurs aux salaires réels payés.

D'accord.

OBSERVATIONS ET RECOMMANDATIONS

Il conviendrait que les agents financiers entreprennent immédiatement d'analyser les différences qui ont existées par le passé pour les dépenses de salaires afin qu'on puisse modifier le système pour en accroître la précision et pour faire en sorte que les gestionnaires soient renseignés sur les coûts de toutes les ressources qu'ils utilisent.

- Le fonctionnaire supérieur des finances ainsi que le chef de sa division devraient demander périodiquement une copie de toutes les conciliations mensuelles pour s'assurer que celles-ci sont établies de façon régulière et que les erreurs sont corrigées.
- Il existe deux dossiers similaires de données sur les salaires, l'un relevant du système de rapports des coûts et un autre tenu manuellement.

Il y aurait avantage à délaissier le système manuel. Le temps consacré à sa tenue par un commis pourrait être utilisé à d'autres fins.

- Il conviendrait d'établir et d'instituer, aux fins du système ministériel et de celui du M.A.S., des données d'entrée communes concernant les opérations.
- Les rapports de gestion émanant du système ministériel sont souvent reçus plus d'un mois après la fin du mois en cause.

Il y aurait lieu de décrire les mesures prises pour corriger les problèmes qu'engendre la préparation des états, et pour les produire plus rapidement. Le chef de la division des services financiers ainsi que le fonctionnaire supérieur des finances devraient périodiquement réviser ces mesures.

COMMENTAIRES DU MINISTÈRE

On a entrepris une étude du genre proposé.

On a également appliqué cette recommandation.

Nous revoyons l'utilité de cette information.

Nous allons considérer cette recommandation avec les représentants du M.A.S.

Nous acceptons cette recommandation et nous la mettons en pratique.

MINISTÈRE DES TRAVAUX PUBLICS

Observations et recommandations en date du mois de mai 1975

Commentaires du Ministère en date du mois de juillet 1975

OBSERVATIONS ET RECOMMANDATIONS

COMMENTAIRES DU MINISTÈRE

ORGANISATION

- Il conviendrait que la fonction financière participe activement à l'élaboration des systèmes de production de données financières qui relèvent d'autres fonctions, et qu'elle soit entièrement responsable de leur contrôle interne.

Nous avons pris des mesures concrètes pour faire en sorte que la fonction financière examine tous les systèmes qui produisent des données financières, afin d'assujettir ces systèmes à un contrôle interne efficace et de les intégrer aux autres systèmes financiers, compte tenu des autres besoins en matière de gestion.

DOTATION EN PERSONNEL DES SERVICES FINANCIERS

- Les ressources en personnel financier ne représentent pas les ressources adéquates pour répondre aux besoins croissants d'un ministère aussi important et complexe que celui des Travaux publics. Il y aurait lieu d'entreprendre une étude d'ensemble sur les besoins actuels et futurs en effectifs par rapport aux présentes ressources, en vue de planifier la formation et le recrutement pour rencontrer l'augmentation nécessaire du nombre et de la qualité du personnel financier.
- Il y aurait avantage à revoir et, au besoin, à renégocier avec le Conseil du trésor le classement des agents financiers, en comparant leurs attributions avec celles d'employés occupant des postes similaires dans d'autres ministères.
- Il conviendrait d'instituer un système qui garantirait que chaque agent financier fasse l'objet d'une évaluation au moins une fois par année, conformément aux directives du Ministère en la matière.

Présentement, le secteur financier est doté d'un personnel hautement qualifié et compétent. Nous entreprendrons néanmoins une étude afin de déterminer les besoins en effectifs supplémentaires, en tenant compte particulièrement des qualités et de l'expérience requises pour les divers postes.

Les fonctionnaires supérieurs des finances du Ministère ont déjà pris part à un examen des normes de classification. Ce genre d'étude va se poursuivre, car le domaine considéré préoccupe au plus haut point les cadres supérieurs du Ministère.

Accepté. Nous veillerons à ce qu'un régime d'appréciation soit appliqué au sein de la fonction financière du Ministère.

**QUALITÉ DE LA COMMUNICATION DES
EXIGENCES FINANCIÈRES**

- Il faudrait réviser le manuel de la gestion financière en s'inspirant du Guide d'administration financière du Conseil du trésor. On devrait décrire entièrement, en utilisant conjointement les techniques de graphiques de cheminement et de narration, tous les systèmes qui produisent des renseignements financiers.

Nous travaillons actuellement à la mise au point d'un manuel financier efficace; cependant, nous allons procéder à une nouvelle revue qui tiendra compte des techniques de graphiques de cheminement et de narration proposées.

**POLITIQUES ET MÉTHODES DE
CONTRÔLE DES DÉPENSES**

- Il y aurait lieu de soumettre au bureau principal des rapports trimestriels donnant les motifs des dérogations discrétionnaires aux exigences du Ministère selon lesquelles on doit solliciter des soumissions pour les baux.
- Il serait bon qu'un fonctionnaire supérieur des finances qui n'a rien à voir avec la comptabilité de la paie retienne les chèques de paie jusqu'au moment où ceux-ci soient remis aux gestionnaires des centres de responsabilité chargés de les distribuer.
- Les bureaux régionaux qui ne vérifient pas chaque mois si leurs registres d'utilisation d'années-hommes correspondent à leurs listes de paie devraient le faire.

Nous allons mettre au point une méthode de surveillance de l'exercice du pouvoir discrétionnaire au niveau régional.

Nous acceptons cette proposition et nous y donnons suite.

Il s'agit là d'une méthode exigée par le Ministère et que nous nous efforcerons de faire respecter plus rigoureusement.

**CONTRÔLE DES REVENUS Y COMPRIS
LES COMPTES À RECEVOIR**

- Il y aurait lieu d'examiner en profondeur les systèmes de contrôle interne des revenus afin de s'assurer que les revenus sont contrôlés comme il convient.
- Le Ministère devrait cesser de subventionner les organismes pour les logements qu'ils fournissent dans le Nord.
- Le règlement actuel du Conseil du trésor en matière de logement oblige le Ministère à subventionner tous les autres usagers des programmes. Tous les coûts encourus pour fournir pareil service de logement devraient être imputés aux ministères en cause.

L'efficacité du contrôle interne des revenus devrait s'accroître sensiblement par suite de la mise en application, le 1er avril 1975, du système de gestion financière ainsi que du contrôle des comptes à recevoir, dont le fonctionnement fera l'objet d'une surveillance étroite au cours des douze prochains mois.

Nous tiendrons compte de cette recommandation dans la renégociation des taux.

Nous poursuivons actuellement des discussions à ce sujet avec le Conseil du trésor dans le sens de cette recommandation.

**TERRAINS, IMMEUBLES ET
AMÉLIORATIONS LOCATIVES**

- Il conviendrait de faire des efforts concertés en vue d'achever le registre central des biens immobiliers de façon à accroître son utilité pour tous les ministères et organismes du gouvernement.
- Il conviendrait que le Ministère établisse, de concert avec le ministère des Approvisionnement et Services, un système en vertu duquel toute acquisition de biens immobiliers par un organisme fédéral serait signalée au Ministère, ce qui permettrait de tenir à jour le registre central des biens immobiliers.
- Le Ministère ferait bien:
 - i) de revoir ses systèmes actuels de registres de biens immobiliers et ceux envisagés pour les rationaliser et les coordonner; puis
 - ii) de concilier les autres systèmes et mettre en oeuvre des contrôles portant sur l'aspect financier ou quantitatif de ces systèmes afin de garantir qu'ils demeureront concordants.
- Dans les coûts reliés aux biens acquis après le 1er avril 1975 et qui doivent figurer comme immobilisations au sein du système de la gestion financière, il y aurait lieu d'inclure tous les coûts directs de même que tous les coûts indirects en cause.

Nous sommes d'accord.

Cette recommandation a du bon et nous l'étudierons avec les responsables des organismes intéressés.

Les responsables du système de la gestion financière ont reconnu en partie la nécessité de telles mesures, et des dispositions seront prises pour rationaliser les systèmes en cause et assurer leur coordination permanente.

Le système inauguré le 1er avril 1975 prévoit l'inclusion de tous les coûts semblables.

**COMPTES À RECEVOIR À LONGUE
ÉCHÉANCE**

- Il serait bon que le Ministère détermine la situation de chacun de ses prêts et avances, et qu'il en fasse l'inscription à l'intérieur du système de la gestion financière. Les rapports portant sur les comptes à recevoir devraient, à l'avenir, faire état de tous les prêts consentis, qu'ils soient courants ou non, et inclure des commentaires sur leur condition.

Cette recommandation est maintenant concrétisée grâce à l'application des procédés du système de la gestion financière qui se rapportent aux comptes à recevoir.

COMPTES EN FIDÉICOMMIS

- Il faudrait réviser le système de contrôle des retenues effectuées sur les paiements aux entrepreneurs afin que la conciliation des comptes et des rapports soit faite plus régulièrement, de manière à relever les articles inhabituels ou en suspens depuis longtemps.

Nous modifierons le système de la façon proposée.

VÉRIFICATION INTERNE

- Le comité de vérification du Ministère devrait définir les buts et objectifs précis de la division de la vérification interne et participer plus activement à la direction de ses activités.
- Il y aurait lieu d'entreprendre immédiatement des mesures pour hausser le niveau de compétence professionnelle au sein du service de vérification interne.
- Au lieu de faire rapport au directeur des finances, la division de la vérification interne devrait rendre compte de ses travaux à un membre de la haute direction qui serait moins relié aux opérations financières.
- Il conviendrait, dans le cadre de la vérification, de porter une attention particulière à l'évaluation des systèmes de gestion et de contrôle financiers et aux recommandations qui s'imposent.
- Les rapports de vérification devraient mettre les recommandations en relief et comporter un bref compte rendu pour la gestion.
- Il faudrait que la direction de la vérification interne rédige un rapport annuel à l'intention des membres du comité de direction.

Cela sera fait.

Nous en convenons, et nous explorerons tous les débouchés pour parvenir à cette fin, y compris la révision du classement des postes et la rotation du personnel de gestion à l'intérieur du service.

Nous allons faire en sorte que la vérification interne ne relève plus directement du directeur des finances.

Nous reconnaissons le bien-fondé de cette recommandation et nous avons pris des dispositions pour mettre davantage l'accent sur la vérification des systèmes.

Les rapports de vérification tiendront dorénavant compte de cette recommandation.

Le Ministère souscrit à cette recommandation et produira ce rapport.

CLASSIFICATION DES COMPTES

- Le Ministère devrait entamer des négociations avec le Conseil du trésor en vue d'agencer son programme par activité d'une manière qui soit plus compatible avec ses opérations.

Des pourparlers à ce sujet sont déjà en cours et vont se poursuivre.

PRÉVISIONS DE PROGRAMMES

- Le comité de direction aurait avantage à publier chaque année, à l'intention de la gestion régionale, des lignes directrices formelles sur la façon d'élaborer leurs sousmissions de prévisions de programmes.
- À plus longue échéance, le Ministère devrait s'efforcer de centraliser davantage l'établissement des prévisions de programmes.

Cette initiative sera prise pour l'établissement des prochaines prévisions de programmes.

Nous avons l'intention dès l'automne 1975, de centraliser l'établissement des prévisions de programmes.

OBSERVATIONS ET RECOMMANDATIONS

- La méthode de planification des dépenses en fonction des coûts unitaires devrait s'appliquer, dans la mesure du possible, à toutes les catégories de dépenses du Ministère.
- Il y aurait lieu d'effectuer une analyse et une catégorisation plus poussées des divers genres d'immeubles afin de pouvoir expliquer les disparités régionales et en rendre compte dans l'établissement des prévisions de programmes.
- Le Ministère ferait bien de tenter d'obtenir auprès du Conseil du trésor que celui-ci institue un service officiel de liaison grâce auquel le Ministère pourrait prendre connaissance des projets susceptibles de modifier les besoins des ministères clients en matière de locaux.

BUDGET PRINCIPAL DES DÉPENSES

- Il y aurait lieu, dans le budget des dépenses au chapitre des prévisions sur les projets d'investissements, de faire la différence entre les prévisions fondées sur des évaluations de valeurs courantes et celles établies en fonction des marchés fermes.
- Le Ministère devrait proposer aux organismes centraux compétents que soient portés au crédit du programme du logement les frais des services fournis aux autres ministères, et que les comptes reliés aux sommes ainsi portées au crédit, de même que les comptes-d'ordre pour les frais des usagers de programmes, soient mis à jour en vue de leur inclusion dans les Comptes publics.
- Dans tous les cas importants de baux avec options d'achat, ayant trait aux propriétés immobilières, il conviendrait que s'appliquent des exigences similaires à celles qui visent les achats ordinaires de biens-capitaux pour ce qui est de la divulgation de renseignements.

CONTRÔLE BUDGÉTAIRE ET PRÉVISIONS DE CAISSE.

- Dès que les systèmes de rapports sur la gestion financière et sur la mesure du rendement seront entièrement en état de fonctionner, il y aurait lieu d'enquêter auprès des intéressés pour découvrir dans quelle mesure la gestion est favorable à l'emploi de tels rapports, avec l'intention d'éliminer tous les systèmes manuels de rapports.

COMMENTAIRES DU MINISTÈRE

C'est là la ferme intention du Ministère; nous appliquerons la méthode en question à nos autres catégories de dépenses dès que nous disposerons des données de base voulues.

Le Ministère a entrepris de mettre au point et d'adopter graduellement un système de catégorisation selon le genre des immeubles ainsi qu'un ensemble de codes qui correspondent aux catégories établies.

Nous poursuivons continuellement nos efforts à cette fin.

Nous commencerons cette pratique lors de la présentation du budget des dépenses 1976-1977.

Nous discuterons de cette question avec les organismes compétents.

Il faudra pour cela que le Conseil du trésor modifie les exigences applicables aux autres ministères et organismes. Nous en discuterons avec le secrétariat du Conseil du trésor.

Pareille enquête doit avoir lieu vers la fin de l'année financière 1975-1976.

OBSERVATIONS ET RECOMMANDATIONS

- Les prévisions reliées aux dépenses en capital devraient se fonder principalement sur le système de rapports faisant état des projets en capital, et il faudrait s'assurer immédiatement que ceux-ci donnent lieu à la publication régulière de rapports adéquats.

RAPPORTS FINANCIERS

- Afin d'éliminer le double emploi pour le traitement des données, il y aurait lieu de tenter d'obtenir du ministère des Approvisionnements et Services qu'il accepte à ses propres fins les données du Ministère préparées aux fins du système de la gestion financière.
- Il est à conseiller de bien décrire les méthodes de contrôle servant à la vérification des rapports établis aux fins du système de la gestion financière.
- Le contenu financier du rapport annuel devrait être augmenté dans le but de produire des renseignements d'ordre financier complets au sujet des activités et de l'exploitation du Ministère.

COMMENTAIRES DU MINISTÈRE

Le Ministère est d'accord et des dispositions ont été prises pour garantir l'exactitude des rapports futurs.

Des discussions à ce sujet se poursuivent avec le ministère des Approvisionnements et Services depuis quelque temps déjà et elles continueront.

La description des méthodes est maintenant complétée.

Nous modifierons la présentation financière du rapport annuel en conformité de cette recommandation.

The first part of the paper discusses the importance of the study and the objectives of the research. It also mentions the scope of the study and the limitations.

The second part of the paper discusses the methodology used in the study. It includes a description of the sample, the data collection methods, and the statistical analysis.

The third part of the paper discusses the results of the study. It includes a description of the findings and a comparison with previous research.

The fourth part of the paper discusses the conclusions of the study. It includes a summary of the findings and a discussion of the implications for practice and policy.

The fifth part of the paper discusses the limitations of the study. It includes a discussion of the strengths and weaknesses of the study and suggestions for future research.

The sixth part of the paper discusses the references. It includes a list of the sources used in the study.

The seventh part of the paper discusses the appendices. It includes a list of the supplementary materials used in the study.

The eighth part of the paper discusses the acknowledgments. It includes a list of the people who helped in the study.

The ninth part of the paper discusses the abstract. It includes a brief summary of the study.

The tenth part of the paper discusses the introduction. It includes a brief overview of the study.

The eleventh part of the paper discusses the literature review. It includes a summary of the previous research on the topic.

The twelfth part of the paper discusses the methodology. It includes a description of the methods used in the study.

The thirteenth part of the paper discusses the results. It includes a description of the findings of the study.

The fourteenth part of the paper discusses the conclusions. It includes a summary of the findings and a discussion of the implications.

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